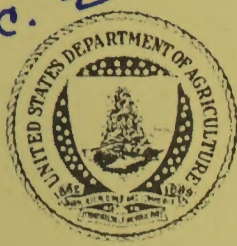


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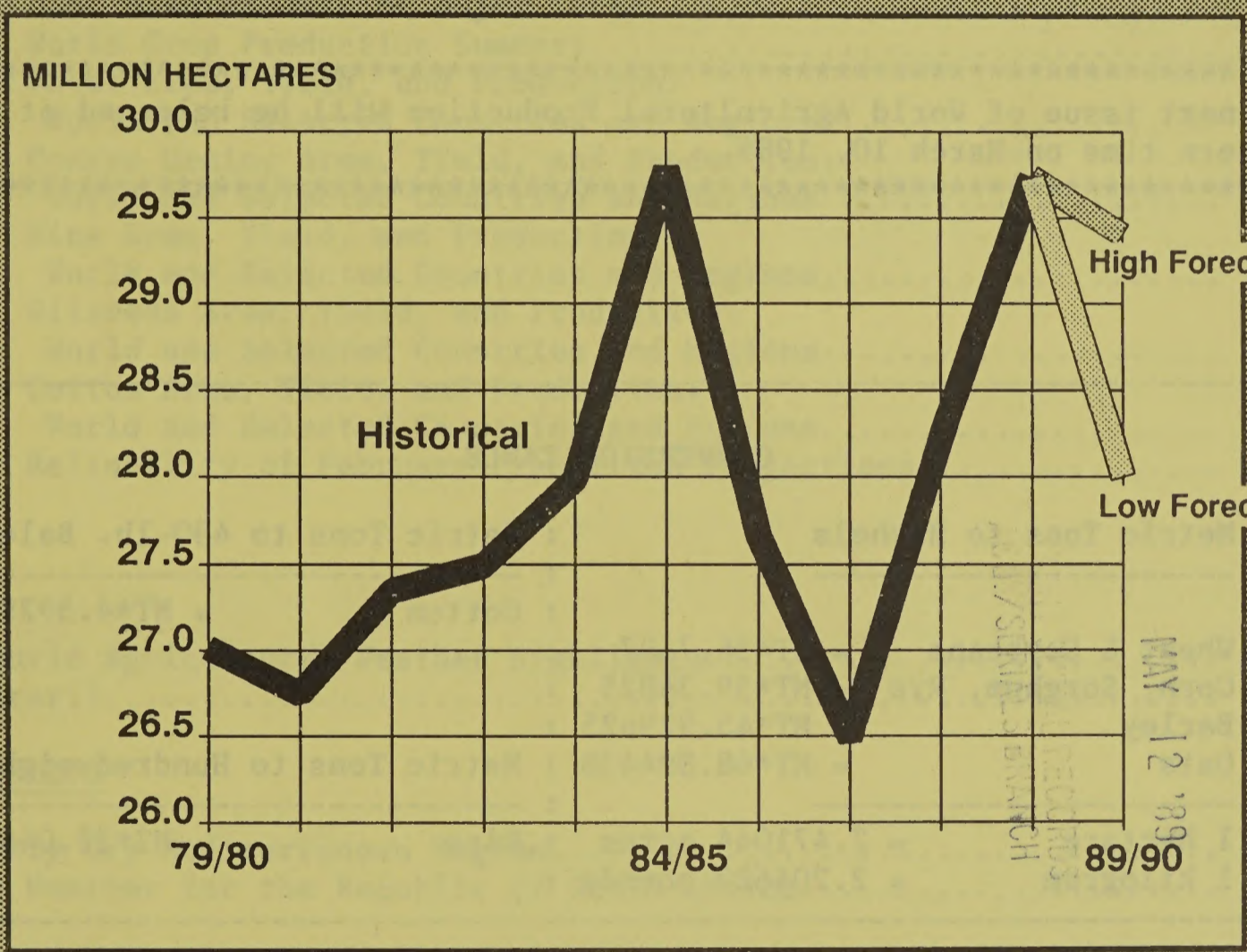
Circular Series  
WAP 2-89  
FEBRUARY 1989

# World Agricultural Production

EXCHANGE Rec'd

MAR 24 1989

## FOREIGN COTTON AREA



**Inside This Issue.....**  
Foreign Cotton Outlook  
Brazil Soybean Production  
Argentina Soybean And Corn Situation  
EEC Agricultural Price Policy Update

This report draws on information from USDA's global network of agricultural attaches and counselors, official statistics of foreign governments, other foreign source materials, and results of office analysis. Estimates of U.S. acreage, yield, and production are from USDA's Agricultural Statistics Board, except where noted. All numbers in this report are based on unrounded data and detail may not add to totals because of rounding.

This report was prepared by the Foreign Production Estimates Division (FPED), FAS/USDA, Washington, D.C. 20250. Further information may be obtained by writing to the division or by calling (202) 382-8888.

\*\*\*\*\*  
 \* The next issue of World Agricultural Production will be released at 3 p.m. \*  
 \* eastern time on March 10, 1989. \*  
 \*\*\*\*\*

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:			:
:	CONVERSION TABLE		:
:			:
:	Metric Tons to Bushels		:
:	-----		:
:		:	:
:	Wheat & Soybeans	= MT*36.7437	:
:	Corn, Sorghum, Rye	= MT*39.36825	:
:	Barley	= MT*45.929625	:
:	Oats	= MT*68.894438	:
:	-----		:
:	1 hectare	= 2.471044 acres	:
:	1 kilogram	= 2.204622 pounds	:
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## TABLE OF CONTENTS

<u>SUBJECT</u>	<u>PAGE</u>
<u>PRODUCTION HIGHLIGHTS FOR 1988/89</u>	
Wheat.....	5
Coarse Grains.....	5
Rice.....	6
Oilseeds.....	7
Cotton.....	7

### TABLES

Table 1.	U.S. Crop Acreage, Yield, and Production.....	9
Table 2.	U.S. Planted Area of Major Crops.....	9
Table 3.	World Crop Production Summary.....	10
Table 4.	Wheat Area, Yield, and Production: World and Selected Countries and Regions.....	11
Table 5.	Coarse Grains Area, Yield, and Production: World and Selected Countries and Regions.....	12
Table 6.	Rice Area, Yield, and Production: World and Selected Countries and Regions.....	15
Table 7.	Oilseeds Area, Yield, and Production: World and Selected Countries and Regions.....	16
Table 8.	Cotton Area, Yield, and Production: World and Selected Countries and Regions.....	18
Table 9.	Reliability of February Production Projections.....	19

### MAPS

Map 1.	World Agricultural Weather Highlights.....	20
Map 2.	Brazil.....	34

### WEATHER BRIEFS

Persistently Dry Mediterranean Region.....	21
Favorable Weather for the Republic of South Africa.....	21

### PRODUCTION BRIEFS

Australia: 1988 Citrus Production Reduced.....	22
Taiwan: Pork Production to Remain High.....	22
Australia: Sheep Flock Expansion Slows Cattle Herd Growth.....	22
Ghana: New Agricultural Production Programs Announced.....	23
Bangladesh: Bumper 1988/89 Rice Crop Despite Poor Weather.....	23
Egypt: Cotton Area Not Expected to Increase in 1989.....	23
Australia: 1988/89 Cotton Plantings Decline.....	24
World Sugar Production Forecast Lowered.....	25

## SUBJECT

## PAGE

### FEATURE COMMODITY ARTICLES

Foreign Cotton Harvested Area Indications for 1989/90 .....	26
Brazilian Soybean Production .....	30
Argentine Soybean and Corn Situation, February 1989.....	35
EC Commission Adopts Farm Price Proposals for 1989/90.....	38

### FEATURE TABLES

Table 10. Cotton Area, Yield, and Production:	
Foreign and Selected Countries and Regions.....	28
Table 11. Brazil: Estimated Soybean Production by State.....	30
Table 12. EC Intervention Prices.....	39

### CHARTS

Chart 1. Brazilian Soybean Production, Area, and Yield.....	33
Chart 2. Argentine Soybean Production, Area, and Yield.....	36
Chart 3. Argentine Corn Production, Area, and Yield.....	37

## PRODUCTION HIGHLIGHTS FOR 1988/89

**WHEAT:** World production for 1988/89 is estimated at 500.5 million metric tons, down 2.7 million or less than 1 percent from last month, and down 1 percent from last year's harvest. Important changes from a month ago include the following:

- o USSR Production is estimated at 84.5 million tons, down 3.5 million or 4 percent from last month, but up 1 percent from last year. The decline was based on the reported Soviet official estimate.
- o Australia Production is estimated at 14.1 million tons, up 0.3 million or 2 percent from last month and up 13 percent from last year. Higher yields are estimated for Western Australia, Victoria, and New South Wales.
- o East Europe Production is estimated at 45.4 million tons, up 0.3 million or less than 1 percent from last month and up 14 percent from 1987/88. Higher yield is estimated in Poland.
- o Argentina Production is estimated at 7.6 million tons, up 0.2 million or 3 percent from last month, but down 14 percent from last year. The increase is due to higher than expected yields from the drought-affected crop.

**COARSE GRAINS:** World production for 1988/89 is estimated at 718.8 million tons, down 4.4 million or less than 1 percent from last month and down 9 percent from last year. Important changes from a month ago include the following:

- o Argentina Production is estimated at 9.7 million tons, down 2.2 million or 19 percent from last month and down 26 percent from last year. Yield estimates for corn were reduced due to abnormally hot and dry conditions in key production areas during the reproductive stage.
- o USSR Production is estimated at 96.5 million tons, down 1.5 million or 2 percent from last month and down 15 percent from last year. The lower production estimate was derived from a Soviet report of wheat (84.5 million tons), corn (16.0 million tons) and total grain production (195 million tons).

- o East Europe Production is estimated at 60.9 million tons, down 0.9 million tons or 1 percent from last month and down 6 percent from last year. Yields are estimated lower for Polish barley and Romanian corn.
- o Thailand Production is estimated at 4.9 million tons, down 0.3 million or 5 percent from last month, but up 64 percent from last year's drought-reduced crop. The estimate for corn area has been reduced.
- o Zimbabwe Production is estimated at 2.1 million tons, down 0.2 million or 9 percent from last month and down 11 percent from last year. Corn yields are estimated lower due to dry weather in the central and southern regions and to excessively wet conditions in the main north central production area.
- o Mexico Production is estimated at 14.7 million tons, down 0.2 million or 1 percent from last month, but up 1 percent from last year. Corn yields were reduced due to late planting, early frosts, and tropical storm damage.
- o Australia Production is estimated at 6.6 million tons, down 0.2 million or 3 percent from last month and down 4 percent from last year. The reduction is due to lower estimated sorghum area and barley yield.
- o South Africa Production is estimated at 9.9 million tons, up 1.0 million or 11 percent from last month and up 27 percent from last year. Favorable rainfall and cool temperatures have boosted corn yield prospects while harvested area is also estimated higher.

**RICE (MILLED-BASIS):** World production for 1988/89 is estimated at a record 324.2 million tons, up 1.1 million or less than 1 percent from last month and up 5 percent from the 1987/88 crop. Foreign production in 1988/89 is estimated at a record 319.2 million tons, an increase of 14.3 million or 5 percent from 1987/88.

- o Bangladesh Production is estimated at 15.4 million tons, up 0.8 million or 5 percent from last month and up less than 1 percent from last year. Summer floods, along with autumn cyclonic weather, had a less than expected impact on production. Higher Aman rice yields along with record Boro crop plantings are estimated.

**OILSEEDS:** World production for 1988/89 is estimated at 198.1 million metric tons, down 1 percent from last month and down 4 percent from last year. U.S. production is forecast at 50 million tons, down 18 percent from last year. Foreign production is forecast at 148.2 million tons, down 1 percent from last month, but up 2 million tons or 1.5 percent from last year.

- \* **Soybeans:** World production for 1988/89 is forecast at 93.0 million tons, down 2.0 million tons from last month, and down 10 percent from last year. Significant changes from last month include:
  - o **Argentina** Production is estimated at 9.0 million tons, down 2.0 million or 18 percent from last month, but still up 9 percent from last year. The decline is due to recent extremely hot and dry weather conditions which are expected to lower harvested area and yields.
- \* **Cottonseed:** World production for 1988/89 is forecast at 32.0 million tons, down 0.1 million from last month, but up 1.0 million or 3 percent from last year.
- \* **Peanuts:** World production for 1988/89 is forecast at 21.9 million tons, down marginally from last month, but up 11 percent from last year.
- \* **Sunflowerseed:** World production for 1988/89 is forecast at 21.2 million tons, down marginally from last month, but up 3 percent from last year.
- \* **Rapeseed:** World production for 1988/89 is estimated at 20.8 million tons, down 2.2 million or 9 percent from last year.
- \* **Flaxseed:** World production for 1988/89 is estimated at 1.8 million tons, down 0.5 million or 23 percent from last year.
- \* **Copra:** World production for 1988/89 is estimated at 4.6 million tons, down marginally from last month, but up 0.3 million tons from last year.
- \* **Palm Kernels:** World production for 1988/89 is forecast at 2.9 million tons, down 22,000 tons from last month but up 0.2 million tons or 8 percent from last year.
- \* **Palm Oil:** World production for 1988/89 is forecast at 9.3 million tons, up 0.8 million or 9 percent from last year.

**COTTON:** World production for 1988/89 is estimated at 83.7 million bales, down slightly from last month, but up 4 percent from 1987/88. Foreign production is estimated at 68.3 million bales, down less than 1 percent from last month, but up 4 percent from last season. U.S. production is estimated at 15.4 million bales, unchanged from last month, but up 5 percent from a year ago.

o Brazil

Production is estimated at 3.3 million bales, down 0.2 million or 4 percent from last month and down 5 percent from last year. Decreased production is estimated due to dry weather at planting which resulted in lower estimated area.

o Egypt

Production is estimated at 1.5 million bales, down 0.1 million or 6 percent from last month and down 10 percent last year. Decreased production is estimated due to unfavorable weather during the growing season and unfavorable cotton prices which prompted many farmers to switch to food crops.

o Australia

Production is estimated at 1.1 million bales, down 75,000 bales or 6 percent from last month and down 11 percent from last year. The decrease in production is due to unfavorable cotton prices and dry weather at planting time which resulted in lower estimated dryland plantings.

o Mexico

Production is estimated at 1.3 million bales, up 0.1 million or 8 percent from last month and up 29 percent from last year. Increased output is estimated due to higher estimated yield.

Table 1-- U.S. Crop Acreage, Yield, and Production 1/

Commodity	--Harvested Area--			--Yield--				--Production--			
	Prel. Proj.			Prel. 1988/89 Proj.				Prel. 1988/89 Proj.			
	1986/87	1987/88	1988/89	1986/87	1987/88	Jan.	Feb.	1986/87	1987/88	Jan.	Feb.
	--Million Acres--			--Bushels per Acre--				--Million Bushels--			
All Wheat	60.7	56.0	53.2	34.4	37.7	34.1	34.1	2091.6	2107.5	1811.3	1811.3
Winter	43.2	39.3	39.8	35.2	39.8	39.2	39.2	1521.5	1565.2	1561.0	1561.0
Other	17.5	16.6	13.4	32.5	32.6	18.7	18.7	570.1	542.3	250.3	250.3
Rye	0.7	0.7	0.6	28.8	29.0	24.8	24.8	19.5	19.8	15.0	15.0
Soybeans	58.3	57.0	57.4	33.3	33.7	26.8	26.8	1940.1	1922.8	1538.7	1538.7
Corn	69.2	59.2	58.2	119.3	119.4	84.6	84.6	8249.9	7072.1	4921.2	4921.2
Sorghum	13.9	10.6	9.1	67.7	69.7	63.8	63.8	938.1	739.2	577.6	577.6
Barley	12.0	10.1	7.5	50.8	52.7	38.6	38.6	610.5	529.5	290.5	290.5
Oats	6.9	6.9	5.6	56.3	54.0	39.1	39.1	386.4	374.0	218.8	218.8
	--Million Hectares--			--Metric Tons per Hectare--				--Millions of Metric Tons--			
Total Feedgrains	41.2	35.1	32.5	6.1	6.1	4.6	4.6	252.3	215.4	149.2	149.2
	--Million Acres--			--Pounds per Acre--				---Million CWT.---			
Rice	2.4	2.3	2.9	5,651	5,555	5,511	5,511	133.4	129.6	159.5	159.5
								---Million 480-Pound---			
All Cotton	8.5	10.0	11.9	552	706	612	623	9.7	14.8	15.4	15.4

Table 2

## U.S. Planted Area of Major Crops

Year	Wheat			Feedgrains							All		Total Major Crops
	Winter	Other	Total	Rye	Rice	Corn	Sorghum	Barley	Oats	Total	Soybeans	Cotton	
	--Million Acres--												
1986/87	54.0	18.1	72.1	2.4	2.4	76.7	15.3	13.1	14.7	119.8	60.4	10.0	267.0
1987/88 Prel.	48.8	17.0	65.8	2.5	2.4	65.7	11.8	11.0	18.0	106.5	58.0	10.4	245.6
1988/89 Proj.													
January	48.8	16.7	65.5	2.4	2.9	67.6	10.4	9.7	13.9	101.6	58.9	12.5	243.8
February	48.8	16.7	65.5	2.4	2.9	67.6	10.4	9.7	13.9	101.6	58.9	12.5	243.8

1/ Estimates from USDA Agricultural Statistics Board.

Table 3

## World Crop Production Summary

Commodity	World	Total	North America		Europe		USSR	Asia				South America		Selected Other Countries		All Other Countries				
			United States	Canada	EC-12	Oth. W. Europe		China	India	Indonesia	Pakistan	Thailand	Argentina	Brazil	Australia		South Africa	Turkey		
			:	:	:	:		:	:	:	:	:	:	:	:		:	:		
---Million Metric Tons---																				
Wheat																				
1986/87	530.2	473.3	56.9	31.4	4.5	72.0	4.3	39.1	92.3	90.0	47.1	0.0	13.9	0.0	8.9	5.6	16.1	2.3	14.0	16.1
1987/88 prel.	504.2	446.9	57.4	26.0	3.7	71.6	4.0	39.8	83.3	87.8	45.6	0.0	12.0	0.0	8.8	6.1	12.4	3.1	13.0	15.3
1988/89 proj.	503.2	453.9	49.3	15.7	3.2	75.7	3.7	45.1	88.0	87.5	45.0	0.0	12.6	0.0	7.4	5.5	13.8	3.4	15.0	16.7
January	500.5	451.2	49.3	15.7	3.2	75.7	3.7	45.4	84.5	87.5	45.0	0.0	12.6	0.0	7.6	5.5	14.1	3.4	15.0	16.6
February																				
Coarse Grains																				
1986/87	835.4	582.6	252.8	25.5	14.9	81.7	12.3	73.9	105.9	87.0	26.6	5.0	1.7	4.6	13.0	27.3	6.8	7.9	9.4	66.9
1987/88 prel.	791.4	575.5	215.9	25.5	14.5	82.3	10.9	64.6	113.7	96.8	23.0	4.8	1.7	3.0	13.0	25.2	6.9	7.8	9.3	61.6
1988/89 proj.	723.3	573.7	149.6	19.6	14.9	88.0	10.8	61.8	98.0	91.8	32.5	5.0	1.7	5.1	11.9	23.6	6.8	8.9	9.6	71.0
January	718.8	569.3	149.6	19.6	14.7	88.0	10.8	60.9	96.5	91.8	32.5	5.0	1.7	4.9	9.7	23.6	6.6	9.9	9.6	70.8
February																				
Rice (Milled)																				
1986/87	318.6	314.2	4.3	0.0	0.4	1.3	0.0	0.2	1.7	120.6	60.4	26.5	3.5	12.5	0.2	7.1	0.4	0.0	0.2	22.8
1987/88 prel.	309.0	304.9	4.1	0.0	0.4	1.3	0.0	0.2	1.7	122.1	53.0	26.3	3.2	11.7	0.2	7.5	0.5	0.0	0.2	22.0
1988/89 proj.	323.2	318.1	5.1	0.0	0.3	1.3	0.0	0.2	1.8	119.7	65.0	27.0	3.3	13.5	0.3	6.9	0.5	0.0	0.2	22.3
January	324.2	319.2	5.1	0.0	0.3	1.3	0.0	0.2	1.9	119.7	65.0	27.0	3.3	13.5	0.3	6.9	0.5	0.0	0.2	22.3
February																				
Total Grains 1/																				
1986/87	1,684.2	1,370.1	314.0	56.9	19.7	155.0	16.6	113.2	199.9 1/	297.6	134.0	31.5	19.1	17.0	22.2	40.0	23.4	10.2	23.5	190.2
1987/88 prel.	1,604.6	1,327.2	277.3	51.5	18.6	155.2	14.9	104.7	198.7 1/	306.6	121.6	31.1	16.9	14.7	22.1	38.8	19.9	10.9	22.4	178.7
1988/89 proj.	1,549.7	1,345.7	203.9	35.3	18.3	165.0	14.6	107.2	187.8	299.0	142.5	32.0	17.6	18.6	19.6	36.0	21.1	12.3	24.7	194.3
January	1,543.6	1,339.7	203.9	35.3	18.1	165.0	14.6	106.5	182.9	299.0	142.5	32.0	17.6	18.4	17.6	36.0	21.2	13.3	24.7	195.1
February																				
Oilseeds 2/																				
1986/87	194.3	134.8	59.4	5.8	1.0	8.4	0.5	6.0	11.2	30.9	13.5	1.7	3.0	0.6	10.8	18.6	0.7	0.7	1.9	19.5
1987/88 prel.	206.5	145.9	60.6	5.9	1.2	12.1	0.5	5.3	11.8	33.4	12.7	1.7	3.2	0.5	14.2	19.5	0.8	0.9	2.0	20.1
1988/89 proj.	200.5	150.5	50.0	5.9	0.8	11.5	0.6	5.3	12.7	29.9	16.2	1.8	3.2	0.7	15.3	21.5	0.8	1.0	2.4	21.1
January	198.1	148.2	50.0	5.9	0.8	11.5	0.6	5.3	12.6	29.9	16.2	1.8	3.2	0.7	13.2	21.5	0.7	1.0	2.4	21.0
February																				
---Million 480-Pound Bales---																				
Cotton																				
1986/87	70.4	60.7	9.7	0.0	0.6	1.3	0.0	0.1	12.2	16.3	7.4	0.0	6.1	0.1	0.5	3.0	1.0	0.3	2.4	9.5
1987/88 prel.	80.5	65.8	14.8	0.0	1.0	1.2	0.0	0.1	11.3	19.5	7.0	0.0	6.8	0.1	1.3	3.5	1.3	0.3	2.5	9.9
1988/89 proj.	83.8	68.3	15.4	0.0	1.2	1.6	0.0	0.1	12.7	18.7	8.2	0.0	6.6	0.1	0.8	3.5	1.2	0.4	3.0	10.4
January	83.7	68.3	15.4	0.0	1.3	1.6	0.0	0.1	12.7	18.7	8.2	0.0	6.6	0.1	0.9	3.3	1.1	0.4	3.0	10.4
February																				

1/ Includes total of wheat, coarse grains, and rice (milled) shown above. Estimates of Soviet total grain production, including wheat, coarse grains, rice (rough), minor grains, and pulses are 210.1 million tons in 1986/87, 211.4 million in 1987/88, and 195.0 million forecast in 1988/89.

2/ Totals for major regions and countries and other countries include the six major oilseeds shown elsewhere in this report, while world and total foreign also include copra and palm kernels for countries shown plus other countries.

Note: Entries of '0.0' indicate no reported or insignificant production.

Table 4

## Wheat Area, Yield, and Production: World and Selected Countries and Regions

Country/Region	---Area---			---Yield---				---Production---			
	Prel.	Proj.		Prel.	1988/89 Proj.			Prel.	1988/89 Proj.		
	1986/87	1987/88	1988/89	1986/87	1987/88	Jan.	Feb.	1986/87	1987/88	Jan.	Feb.
	---Million Hectares---			---Metric Tons Per Hectare---				---Million Metric Tons---			
World	227.8	219.5	218.6	2.33	2.30	2.29	2.29	530.2	504.2	503.2	500.5
United States	24.6	22.6	21.5	2.32	2.53	2.29	2.29	56.9	57.4	49.3	49.3
Total Foreign	203.2	196.9	197.1	2.33	2.27	2.30	2.29	473.3	446.9	453.9	451.2
Maj. Foreign Exporters	46.1	43.3	42.1	2.79	2.75	2.67	2.68	128.5	118.8	112.6	113.1
Argentina	5.0	4.8	4.5	1.79	1.84	1.64	1.69	8.9	8.8	7.4	7.6
Australia	11.1	9.1	9.3	1.45	1.37	1.48	1.52	16.1	12.4	13.8	14.1
Canada	14.2	13.5	12.9	2.20	1.93	1.21	1.21	31.4	26.0	15.7	15.7
EC-12	15.7	15.9	15.4	4.58	4.50	4.91	4.91	72.0	71.6	75.7	75.7
Major Importers	98.1	95.4	97.3	2.40	2.36	2.40	2.38	235.5	225.4	234.9	231.9
Brazil	3.9	3.5	3.5	1.44	1.76	1.59	1.59	5.6	6.1	5.5	5.5
China	29.6	28.8	28.9	3.04	3.05	2.97	3.03	90.0	87.8	87.5	87.5
Eastern Europe	10.5	10.6	10.7	3.73	3.77	4.20	4.22	39.1	39.8	45.1	45.4
Egypt	0.5	0.6	0.6	3.80	4.23	4.20	4.20	1.9	2.4	2.5	2.5
Other N. Africa */	4.6	5.1	4.4	1.23	1.01	1.19	1.25	5.7	5.1	5.3	5.4
Japan	0.2	0.3	0.3	3.56	3.19	3.67	3.67	0.9	0.9	1.0	1.0
USSR	48.7	46.7	49.0	1.89	1.78	1.80	1.72	92.3	83.3	88.0	84.5
Other Foreign	59.1	58.2	57.6	1.85	1.77	1.85	1.84	109.3	102.7	106.4	106.3
India	23.0	22.8	22.2	2.05	2.00	2.03	2.03	47.1	45.6	45.0	45.0
Iran	6.3	6.1	6.3	1.14	0.98	1.08	1.08	7.1	6.0	6.8	6.8
Mexico	1.1	0.9	0.8	4.19	4.11	4.00	4.00	4.5	3.7	3.2	3.2
Non-EC W. Europe	1.0	0.9	0.8	4.51	4.20	4.60	4.60	4.3	4.0	3.7	3.7
Pakistan	7.4	7.7	7.3	1.89	1.56	1.73	1.73	13.9	12.0	12.6	12.6
South Africa	1.9	1.7	2.0	1.21	1.81	1.73	1.73	2.3	3.1	3.4	3.4
Turkey	8.7	8.7	8.8	1.61	1.49	1.71	1.71	14.0	13.0	15.0	15.0
Others	9.8	9.3	9.5	1.65	1.65	1.75	1.74	16.1	15.3	16.7	16.6

\*/ Algeria, Libya, Morocco, and Tunisia.

FEBRUARY 1989

FOREIGN PRODUCTION ESTIMATES DIVISION, FAS, USDA

Table 5

## Coarse Grains Area, Yield, and Production: World and Selected Countries and Regions

Country/Region	---Area---			---Yield---				---Production---			
	Prel. Proj.			Prel. 1988/89 Proj.				Prel. 1988/89 Proj.			
	1986/87	1987/88	1988/89	1986/87	1987/88	Jan.	Feb.	1986/87	1987/88	Jan.	Feb.
TOTAL COARSE GRAINS 1/ -----	---Million Hectares---			---Metric Tons Per Hectare---				---Million Metric Tons---			
World	337.3	323.0	326.6	2.48	2.45	2.21	2.20	835.4	791.4	723.3	718.8
United States	41.5	35.4	32.8	6.09	6.10	4.57	4.57	252.8	215.9	149.6	149.6
Total Foreign	295.7	287.6	293.8	1.97	2.00	1.95	1.94	582.6	575.5	573.7	569.3
Maj. Foreign Exporters	23.7	23.4	22.0	2.44	2.40	2.33	2.30	57.9	56.2	52.2	50.6
Argentina	4.5	4.4	3.8	2.88	2.98	2.84	2.52	13.0	13.0	11.9	9.7
Australia	4.4	4.6	4.5	1.55	1.50	1.48	1.46	6.8	6.9	6.8	6.6
Canada	7.8	8.0	7.2	3.26	3.21	2.73	2.73	25.5	25.5	19.6	19.6
South Africa	4.9	4.5	4.5	1.61	1.73	2.02	2.17	7.9	7.8	8.9	9.9
Thailand	2.0	2.0	2.0	2.25	1.51	2.49	2.49	4.6	3.0	5.1	4.9
Major Importers	108.5	108.1	106.1	2.67	2.66	2.59	2.57	290.0	287.5	275.0	272.4
Eastern Europe	18.6	18.1	18.4	3.97	3.56	3.35	3.32	73.9	64.6	61.8	60.9
EC-12	19.8	19.1	19.3	4.13	4.32	4.55	4.55	81.7	82.3	88.0	88.0
Other W. Europe	3.4	3.1	3.2	3.63	3.47	3.36	3.36	12.3	10.9	10.8	10.8
Mexico	7.7	7.8	7.7	1.93	1.87	1.89	1.89	14.9	14.5	14.9	14.7
USSR	58.6	59.5	57.0	1.81	1.91	1.72	1.69	105.9	113.7	98.0	96.5
Other Major Import. 2/	0.4	0.5	0.5	3.04	3.13	3.30	3.30	1.3	1.4	1.5	1.5
Other Foreign	163.6	156.2	165.6	1.44	1.48	1.49	1.49	234.8	231.8	246.4	246.3
Brazil	14.0	13.5	13.4	1.95	1.87	1.76	1.76	27.3	25.2	23.6	23.6
China	27.9	28.7	27.9	3.12	3.37	3.28	3.30	87.0	96.8	91.8	91.8
India	39.6	35.8	39.9	0.67	0.64	0.81	0.81	26.6	23.0	32.5	32.5
Indonesia	3.0	2.8	2.8	1.64	1.71	1.79	1.79	5.0	4.8	5.0	5.0
Nigeria	10.2	9.4	10.1	0.84	0.72	0.84	0.84	8.6	6.8	8.5	8.5
Philippines	3.6	3.8	3.8	1.13	1.15	1.16	1.16	4.0	4.3	4.4	4.4
Turkey	4.3	4.3	4.4	2.19	2.17	2.17	2.17	9.4	9.3	9.6	9.6
Others	61.0	57.9	63.4	1.10	1.06	1.12	1.12	66.9	61.6	71.0	70.8
BARLEY -----											
World	80.1	79.3	76.3	2.28	2.28	2.17	2.16	182.4	181.0	166.4	164.7
United States	4.9	4.1	3.0	2.74	2.83	2.07	2.07	13.3	11.5	6.3	6.3
Total Foreign	75.2	75.3	73.3	2.25	2.25	2.18	2.16	169.1	169.5	160.1	158.4
Australia	2.3	2.4	2.3	1.56	1.46	1.48	1.43	3.6	3.5	3.4	3.3
Canada	4.8	5.0	4.1	3.03	2.79	2.44	2.44	14.6	14.0	10.1	10.1
China	3.4	3.4	3.3	1.68	1.85	1.80	1.92	5.6	6.3	6.3	6.3
Eastern Europe	4.5	4.3	4.3	3.77	3.80	3.74	3.62	16.9	16.2	16.3	15.7
EC-12	12.7	12.2	12.3	3.69	3.82	4.13	4.13	46.8	46.6	51.0	51.0
Other W. Europe	1.8	1.7	1.8	3.38	3.10	3.07	3.07	6.2	5.2	5.4	5.4
Turkey	3.2	3.2	3.3	1.97	1.88	1.97	1.97	6.3	6.0	6.5	6.5
USSR	30.0	30.7	28.9	1.80	1.91	1.57	1.54	53.9	58.4	45.5	44.5
Others	12.6	12.5	12.9	1.21	1.06	1.21	1.21	15.2	13.2	15.6	15.6

FOOTNOTES AT END OF TABLE

CONTINUED

FEBRUARY 1989

FOREIGN PRODUCTION ESTIMATES DIVISION, FAS, USDA

Table 5 (Continued)

## Coarse Grains Area, Yield, and Production: World and Selected Countries and Regions (Continued)

Country/Region	---Area---			---Yield---				---Production---			
	Prel. Proj.			Prel. 1988/89 Proj.				Prel. 1988/89 Proj.			
	1986/87	1987/88	1988/89	1986/87	1987/88	Jan.	Feb.	1986/87	1987/88	Jan.	Feb.
CORN	---Million Hectares---			---Metric Tons Per Hectare---				---Million Metric Tons---			
-----											
World	129.5	124.6	125.3	3.69	3.58	3.13	3.11	477.3	446.3	392.7	390.2
United States	28.0	24.0	23.5	7.49	7.50	5.31	5.31	209.6	179.6	125.0	125.0
Total Foreign	101.5	100.6	101.8	2.64	2.65	2.62	2.61	267.8	266.6	267.7	265.2
Maj. Foreign Exporters	8.7	8.0	7.6	2.37	2.35	2.66	2.58	20.7	18.7	20.8	19.5
Argentina	2.9	2.6	2.2	3.19	3.46	3.20	2.73	9.3	9.0	8.0	6.0
South Africa	4.0	3.6	3.7	1.78	1.93	2.29	2.47	7.2	7.0	8.0	9.0
Thailand	1.8	1.8	1.7	2.37	1.56	2.64	2.65	4.3	2.7	4.8	4.5
Major Importers	22.0	21.9	22.3	4.03	3.78	3.77	3.76	88.9	82.9	84.8	83.7
Eastern Europe	7.6	7.3	7.4	5.13	4.10	3.82	3.81	38.9	29.9	28.4	28.0
EC-12	3.9	3.7	4.0	6.47	6.96	6.86	6.86	25.2	26.0	27.3	27.3
Other W. Europe	0.2	0.2	0.2	8.01	8.07	8.10	8.10	1.9	1.8	1.8	1.8
Mexico	6.0	6.0	6.0	1.67	1.65	1.69	1.68	10.0	9.9	10.3	10.1
USSR	4.2	4.6	4.6	2.96	3.24	3.59	3.48	12.5	14.8	16.5	16.0
Other Maj. Import. 2/	0.1	0.1	0.1	3.91	4.11	4.15	4.15	0.4	0.4	0.5	0.5
Other Foreign	70.7	70.7	71.9	2.24	2.33	2.26	2.25	158.2	165.0	162.1	162.0
Brazil	13.5	13.1	13.0	1.96	1.87	1.77	1.77	26.5	24.5	23.0	23.0
Canada	1.0	1.0	1.0	5.95	7.02	5.47	5.47	5.9	7.0	5.4	5.4
China	19.1	20.2	19.7	3.71	3.95	3.83	3.81	70.9	79.8	75.0	75.0
Egypt	0.8	0.8	0.8	4.73	5.14	5.00	5.00	3.9	4.2	4.1	4.1
India	5.9	5.3	5.9	1.27	1.04	1.34	1.34	7.5	5.5	7.9	7.9
Indonesia	3.0	2.8	2.8	1.64	1.71	1.79	1.79	5.0	4.8	5.0	5.0
Philippines	3.6	3.8	3.8	1.13	1.15	1.16	1.16	4.0	4.3	4.4	4.4
Zimbabwe	1.2	1.3	1.3	0.92	1.60	1.54	1.44	1.1	2.0	2.0	1.8
Others	22.6	22.5	23.7	1.48	1.46	1.50	1.50	33.4	32.8	35.4	35.4
SORGHUM											
-----											
World	46.1	41.3	45.1	1.41	1.34	1.28	1.28	64.8	55.1	57.9	57.6
United States	5.6	4.3	3.7	4.25	4.38	4.00	4.00	23.8	18.8	14.7	14.7
Total Foreign	40.5	37.0	41.4	1.01	0.98	1.04	1.04	41.0	36.3	43.2	43.0
Argentina	1.0	1.0	1.0	3.10	3.00	3.00	2.95	3.1	3.0	3.0	2.8
Australia	0.8	0.7	0.7	1.74	1.90	1.93	1.91	1.4	1.4	1.4	1.3
China	1.9	1.9	1.8	2.87	2.91	2.94	2.96	5.4	5.4	5.3	5.3
India	15.6	15.0	16.2	0.57	0.57	0.71	0.71	8.9	8.6	11.5	11.5
Mexico	1.4	1.4	1.4	3.19	2.91	2.91	2.91	4.3	4.0	4.0	4.0
Nigeria	4.5	4.3	4.4	0.80	0.67	0.80	0.80	3.6	2.9	3.5	3.5
South Africa	0.3	0.3	0.3	1.53	1.48	1.82	1.82	0.5	0.5	0.6	0.6
Sudan	4.8	3.0	5.5	0.71	0.43	0.69	0.69	3.4	1.3	3.8	3.8
Thailand	0.2	0.2	0.3	1.26	1.10	1.40	1.40	0.3	0.2	0.4	0.4
Others	9.9	9.2	9.9	1.02	0.98	0.99	0.99	10.1	9.0	9.8	9.8

FOOTNOTES AT END OF TABLE

CONTINUED

FEBRUARY 1989

FOREIGN PRODUCTION ESTIMATES DIVISION, FAS, USDA

Table 5 (Continued)

## Coarse Grains Area, Yield, and Production: World and Selected Countries and Regions (Continued)

Country/Region	---Area---			---Yield---				---Production---			
	Prel. Proj.			Prel. 1988/89 Proj.				Prel. 1988/89 Proj.			
	1986/87	1987/88	1988/89	1986/87	1987/88	Jan.	Feb.	1986/87	1987/88	Jan.	Feb.
OATS	---Million Hectares---			---Metric Tons Per Hectare---				---Million Metric Tons---			
World	25.0	23.6	23.1	1.90	1.83	1.69	1.69	47.5	43.3	38.9	38.9
United States	2.8	2.8	2.3	2.02	1.94	1.40	1.40	5.6	5.4	3.2	3.2
Total Foreign	22.2	20.8	20.8	1.89	1.82	1.72	1.72	41.9	37.9	35.7	35.8
USSR	13.2	11.8	11.5	1.66	1.57	1.43	1.43	21.9	18.5	16.5	16.5
Maj. Foreign Exporters	3.3	3.5	3.7	2.05	1.97	1.80	1.81	6.7	6.8	6.7	6.7
Argentina	0.4	0.5	0.4	1.00	1.30	1.25	1.25	0.4	0.7	0.5	0.5
Australia	1.1	1.3	1.5	1.39	1.33	1.24	1.25	1.6	1.7	1.8	1.8
Canada	1.3	1.3	1.4	2.53	2.37	2.10	2.10	3.3	3.0	3.0	3.0
Sweden	0.5	0.4	0.4	3.26	3.63	3.25	3.25	1.5	1.4	1.4	1.4
Other Foreign	5.8	5.6	5.6	2.30	2.26	2.23	2.23	13.2	12.6	12.6	12.6
China	0.6	0.6	0.6	1.04	1.15	1.20	1.19	0.6	0.7	0.7	0.7
Eastern Europe	1.5	1.4	1.5	2.75	2.82	2.56	2.56	4.2	4.0	3.8	3.8
East Germany	0.2	0.2	0.2	4.09	4.18	3.68	3.68	0.7	0.7	0.6	0.6
Poland	0.9	0.9	0.9	2.69	2.87	2.48	2.48	2.5	2.5	2.2	2.2
EC-12	1.9	1.8	1.8	2.95	2.99	3.09	3.09	5.6	5.3	5.6	5.6
France	0.3	0.3	0.3	3.27	3.72	3.80	3.80	1.0	1.0	1.0	1.0
West Germany	0.6	0.6	0.6	4.44	4.30	4.23	4.23	2.7	2.4	2.4	2.4
Finland	0.4	0.4	0.4	2.92	2.21	2.21	2.21	1.2	0.8	0.9	0.9
Norway	0.1	0.1	0.1	3.15	3.87	2.98	2.98	0.4	0.5	0.4	0.4
Others	1.2	1.3	1.3	1.04	1.00	1.01	1.01	1.3	1.3	1.3	1.3
RYE											
World	14.8	15.9	15.3	2.10	2.14	2.01	2.01	31.0	34.0	30.8	30.8
United States	0.3	0.3	0.2	1.81	1.82	1.55	1.55	0.5	0.5	0.4	0.4
Total Foreign	14.5	15.6	15.1	2.10	2.15	2.02	2.02	30.5	33.5	30.5	30.5
USSR	8.7	9.7	9.5	1.74	1.86	1.74	1.74	15.2	18.1	16.5	16.5
Maj. Foreign Exporter											
Canada	0.3	0.3	0.2	1.93	1.58	1.05	1.05	0.6	0.5	0.3	0.3
Other Foreign											
Eastern Europe	3.9	4.0	3.9	2.73	2.74	2.53	2.53	10.6	11.0	9.9	9.9
East Germany	0.7	0.7	0.7	3.54	3.47	2.77	2.77	2.4	2.4	1.8	1.8
Poland	2.8	3.0	2.9	2.57	2.63	2.47	2.47	7.3	7.8	7.1	7.1
Czechoslovakia	0.2	0.2	0.2	3.49	3.13	3.42	3.42	0.5	0.5	0.5	0.5
EC-12	1.0	1.0	0.9	3.02	2.91	3.10	3.10	3.0	3.0	2.9	2.9
Denmark	0.1	0.1	0.1	4.55	3.74	4.53	4.53	0.5	0.5	0.4	0.4
West Germany	0.4	0.4	0.4	4.28	3.89	4.19	4.19	1.8	1.6	1.6	1.6
Others	0.5	0.5	0.5	1.83	1.80	1.90	1.90	1.0	1.0	0.9	0.9

1/ Total of barley, corn, sorghum, oats, and rye shown below plus millet and mixed grain.

2/ Japan, Republic of Korea, and Taiwan.



Table 7

## Oilseeds Area, Yield, and Production: World and Selected Countries and Regions

Country/Region	---Area---			---Yield---				---Production---			
	Prel.	Proj.		Prel.	1988/89	Proj.		Prel.	1988/89	Proj.	
	1986/87	1987/88	1988/89	1986/87	1987/88	Jan.	Feb.	1986/87	1987/88	Jan.	Feb.
	---Million Hectares---			---Metric Tons Per Hectare---				---Million Metric Tons---			
SOYBEANS											
-----											
World	51.47	53.88	55.67	1.90	1.91	1.69	1.67	97.90	102.91	95.01	92.99
United States	23.59	23.06	23.22	2.24	2.27	1.80	1.80	52.80	52.33	41.88	41.88
Total Foreign	27.88	30.83	32.44	1.62	1.64	1.61	1.58	45.10	50.58	53.13	51.12
Maj. Foreign Exporters	12.78	14.77	16.20	1.90	1.88	1.88	1.79	24.30	27.70	31.00	29.00
Argentina	3.51	4.26	4.70	1.99	2.32	2.20	1.91	7.00	9.90	11.00	9.00
Brazil	9.27	10.51	11.50	1.87	1.69	1.74	1.74	17.30	17.80	20.00	20.00
Other Foreign	15.10	16.05	16.24	1.38	1.43	1.35	1.36	20.80	22.88	22.13	22.12
Canada	0.38	0.46	0.54	2.50	2.76	2.15	2.15	0.96	1.27	1.15	1.15
China	8.30	8.45	8.14	1.40	1.44	1.33	1.35	11.61	12.18	11.00	11.00
Eastern Europe	0.48	0.53	0.57	1.66	1.31	1.27	1.27	0.81	0.69	0.72	0.72
India	1.39	1.40	1.70	0.60	0.57	0.76	0.76	0.84	0.80	1.30	1.30
Indonesia	0.92	0.95	1.00	0.98	1.00	1.00	1.00	0.90	0.95	1.00	1.00
Mexico	0.34	0.39	0.15	1.94	1.92	2.07	2.07	0.66	0.75	0.30	0.30
Paraguay	0.53	0.62	0.69	1.79	1.79	1.74	1.74	0.95	1.10	1.20	1.20
USSR	0.75	0.78	0.80	0.94	0.91	0.91	0.91	0.70	0.71	0.73	0.73
Others	2.01	2.48	2.66	1.68	1.78	1.77	1.77	3.38	4.43	4.73	4.71
COTTONSEED											
-----											
World	29.91	32.48	34.12	0.91	0.95	0.93	0.94	27.13	30.99	32.09	31.96
United States	3.43	4.06	4.81	1.01	1.29	1.14	1.14	3.45	5.23	5.49	5.49
Total Foreign	26.49	28.42	29.30	0.89	0.91	0.90	0.90	23.68	25.76	26.60	26.47
China	4.31	4.84	5.50	1.40	1.49	1.26	1.26	6.02	7.22	6.92	6.92
India	7.28	7.40	7.70	0.44	0.41	0.44	0.46	3.22	3.05	3.55	3.55
Pakistan	2.51	2.57	2.55	1.05	1.15	1.11	1.12	2.64	2.95	2.85	2.85
USSR	3.48	3.53	3.45	1.40	1.27	1.45	1.45	4.87	4.49	5.02	5.02
Others	8.92	10.08	10.10	0.78	0.80	0.81	0.80	6.93	8.06	8.25	8.12
PEANUTS											
-----											
World	18.36	17.51	18.98	1.11	1.13	1.15	1.15	20.44	19.73	21.93	21.88
United States	0.62	0.63	0.66	2.70	2.62	2.78	2.78	1.68	1.64	1.82	1.82
Total Foreign	17.74	16.89	18.33	1.06	1.07	1.10	1.09	18.76	18.09	20.11	20.06
Brazil	0.14	0.10	0.10	1.37	1.67	1.50	1.50	0.20	0.17	0.15	0.15
China	3.25	3.02	3.03	1.81	2.04	1.91	1.91	5.88	6.17	5.80	5.80
India	7.15	6.20	7.50	0.85	0.77	0.97	0.97	6.06	4.80	7.30	7.30
Senegal	0.81	0.85	0.90	1.01	1.10	0.82	0.76	0.82	0.93	0.74	0.69
South Africa	0.16	0.21	0.22	0.73	1.00	1.00	1.00	0.12	0.21	0.22	0.22
Sudan	0.52	0.55	0.55	0.87	0.73	0.73	0.73	0.45	0.40	0.40	0.40
Others	5.71	5.96	6.02	0.92	0.91	0.91	0.91	5.24	5.41	5.50	5.50

CONTINUED

Table 7 (Continued)

Oilseeds Area, Yield, and Production: World and Selected Countries and Regions (Continued)

Country/Region	---Area---			---Yield---				---Production---			
	Prel.	Proj.		Prel.	1988/89	Proj.		Prel.	1988/89	Proj.	
	1986/87	1987/88	1988/89	1986/87	1987/88	Jan.	Feb.	1986/87	1987/88	Jan.	Feb.
	---Million Hectares---			---Metric Tons Per Hectare---				---Million Metric Tons---			
SUNFLOWERSEED											
-----											
World	14.13	14.89	15.36	1.36	1.39	1.40	1.38	19.26	20.63	21.33	21.23
United States	0.79	0.72	0.73	1.53	1.65	1.01	1.01	1.21	1.18	0.74	0.74
Total Foreign	13.34	14.18	14.63	1.35	1.37	1.42	1.40	18.05	19.45	20.60	20.49
Argentina	1.80	2.06	2.40	1.39	1.36	1.29	1.25	2.50	2.80	3.10	3.00
China	1.11	0.89	1.00	1.39	1.40	1.45	1.45	1.54	1.24	1.45	1.45
EC-12	2.15	2.32	2.08	1.53	1.70	1.97	1.97	3.28	3.93	4.10	4.10
East Europe	1.33	1.38	1.33	2.15	1.73	1.78	1.78	2.86	2.38	2.37	2.37
USSR	3.85	4.16	4.25	1.37	1.46	1.48	1.46	5.26	6.08	6.30	6.20
Others	3.11	3.38	3.57	0.84	0.89	0.95	0.94	2.61	3.02	3.27	3.37
RAPESEED											
-----											
World	14.59	16.17	16.55	1.33	1.42	1.26	1.26	19.46	22.97	20.82	20.82
Total Foreign	14.59	16.17	16.55	1.33	1.42	1.26	1.26	19.46	22.97	20.82	20.82
Canada	2.64	2.67	3.65	1.43	1.44	1.16	1.16	3.79	3.85	4.24	4.24
China	4.92	5.27	4.70	1.20	1.25	1.00	1.00	5.88	6.61	4.70	4.70
EC-12	1.27	1.86	1.85	2.91	3.20	2.85	2.85	3.69	5.95	5.28	5.28
East Europe	0.96	0.92	0.88	2.38	2.34	2.44	2.44	2.28	2.16	2.15	2.15
India	3.73	4.10	4.00	0.71	0.76	0.75	0.75	2.64	3.10	3.00	3.00
Others	1.08	1.35	1.46	1.10	0.97	0.99	0.99	1.19	1.31	1.45	1.45
FLAXSEED											
-----											
World	4.33	4.17	4.02	0.62	0.55	0.44	0.44	2.69	2.28	1.75	1.75
United States	0.28	0.19	0.09	1.06	1.01	0.45	0.45	0.29	0.19	0.04	0.04
Total Foreign	4.06	3.98	3.93	0.59	0.52	0.44	0.44	2.40	2.09	1.71	1.71
Argentina	0.75	0.69	0.55	0.83	0.80	0.82	0.82	0.62	0.55	0.45	0.45
Canada	0.76	0.59	0.55	1.36	1.23	0.76	0.76	1.03	0.73	0.41	0.41
India	1.23	1.35	1.35	0.28	0.30	0.30	0.30	0.34	0.40	0.40	0.40
USSR	1.05	1.07	1.20	0.22	0.21	0.22	0.22	0.23	0.23	0.26	0.26
Others	0.28	0.28	0.28	0.63	0.65	0.66	0.66	0.18	0.18	0.19	0.19
MAJOR OILSEEDS TOTAL	132.79	139.11	144.69	1.41	1.43	1.33	1.32	186.89	199.51	192.93	190.62
COPRA	--	--	--	--	--	--	--	4.80	4.33	4.63	4.62
PALM KERNEL	--	--	--	--	--	--	--	2.60	2.67	2.90	2.88
TOTAL OILSEEDS	--	--	--	--	--	--	--	194.28	206.51	200.46	198.12
PALM OIL *	--	--	--	--	--	--	--	8.09	8.57	9.32	9.32

Table 8

## Cotton Area, Yield, and Production: World and Selected Countries and Regions

Country/Region	:	---Area---			:	---Yield---				:	---Production---			
	:				:					:				
	:	Prel.	Proj.		:	Prel.	1988/89	Proj.	:	Prel.	1988/89	Proj.		
	:	1986/87	1987/88	1988/89	:	1986/87	1987/88	Jan.	Feb.	:	1986/87	1987/88	Jan.	Feb.
<hr/>														
	:	---Million Hectares---			:	---Kilograms Per Hectare---				:	---Million 480-Pound Bales---			
	:				:					:				
World	:	29.9	32.2	34.3	:	513	544	528	532	:	70.4	80.5	83.8	83.7
	:				:					:				
United States	:	3.4	4.1	4.8	:	618	791	699	699	:	9.7	14.8	15.4	15.4
	:				:					:				
Total Foreign	:	26.5	28.2	29.5	:	499	509	500	504	:	60.7	65.8	68.3	68.3
	:				:					:				
Maj. Foreign Exporters	:	12.1	12.8	13.5	:	749	763	741	741	:	41.5	45.0	45.9	45.8
Australia	:	0.1	0.2	0.2	:	1446	1190	1306	1338	:	1.0	1.3	1.2	1.1
Central America 1/	:	0.1	0.1	0.1	:	814	811	862	862	:	0.4	0.4	0.4	0.4
China	:	4.3	4.8	5.5	:	824	876	740	740	:	16.3	19.5	18.7	18.7
Egypt	:	0.4	0.4	0.4	:	909	845	819	752	:	1.9	1.6	1.6	1.5
Mexico	:	0.2	0.2	0.3	:	926	956	1025	1110	:	0.6	1.0	1.2	1.3
Pakistan	:	2.5	2.6	2.6	:	527	573	555	559	:	6.1	6.8	6.6	6.6
Sudan	:	0.4	0.3	0.3	:	468	416	435	435	:	0.8	0.6	0.6	0.6
Turkey	:	0.6	0.6	0.7	:	880	916	924	924	:	2.4	2.5	3.0	3.0
USSR	:	3.5	3.5	3.5	:	762	700	801	801	:	12.2	11.3	12.7	12.7
	:				:					:				
Major Importers 2/	:	0.3	0.3	0.4	:	930	828	837	837	:	1.4	1.2	1.6	1.6
	:				:					:				
Other Foreign	:	14.1	15.0	15.6	:	275	283	287	291	:	17.8	19.5	20.8	20.8
Argentina	:	0.3	0.5	0.5	:	318	547	376	374	:	0.5	1.3	0.8	0.9
Brazil	:	2.2	2.3	2.3	:	303	327	320	314	:	3.0	3.5	3.5	3.3
India	:	7.3	7.4	7.7	:	222	207	223	232	:	7.4	7.0	8.2	8.2
Syria	:	0.1	0.1	0.2	:	874	835	910	910	:	0.6	0.5	0.7	0.7
Others	:	4.2	4.6	4.9	:	328	340	344	343	:	6.3	7.2	7.6	7.7

1/ Nicaragua, Guatemala, El Salvador, Honduras, and Costa Rica.

2/ Western Europe, Eastern Europe, Japan, Hong Kong, Republic of Korea, and Taiwan.

FEBRUARY 1989

FOREIGN PRODUCTION ESTIMATES DIVISION, FAS, USDA

Table 9

NOTE: The table below presents a 7-year record of the differences between the Feb. projections and the final estimates. Using world wheat production as an example, changes between Feb. projections and the final estimates have averaged 3.2 million tons (0.7 percent) and ranged from -7.3 to 6.8 million tons. The Feb. projection has been below the final estimate five times and above two times.

# RELIABILITY OF FEBRUARY PRODUCTION PROJECTIONS

COMMODITY AND REGION	: PROJECTIONS AND FINAL ESTIMATES, 1981/82-87/88 1/						
	: -----DIFFERENCE----- : Lowest -- Highest: BELOW : ABOVE						
	: AVERAGE : AVERAGE : Difference : FINAL : FINAL						
	: PERCENT :	: ---MILLION METRIC TONS---			: NUMBER OF YEARS 2/		
WHEAT	:	:	:	:	:	:	:
WORLD	: 0.7 :	: 3.2	: -7.3	: 6.8	: 5	: 2	
U.S.	: 0.1 :	: 0.0	: -0.1	: 0.1	: 2	: 1	
FOREIGN	: 0.8 :	: 3.2	: -7.3	: 6.8	: 5	: 2	
COARSE GRAINS 3/	:	:	:	:	:	:	:
WORLD	: 0.5 :	: 4.3	: -11.8	: 5.1	: 3	: 4	
U.S.	: 0.2 :	: 0.2	: -0.1	: 1.3	: 4	: 1	
FOREIGN	: 0.8 :	: 4.5	: -11.0	: 5.1	: 3	: 4	
RICE (MILLED)	:	:	:	:	:	:	:
WORLD	: 2.0 :	: 6.2	: -13.0	: 1.8	: 6	: 1	
U.S.	: 0.4 :	: 0.0	: 0.0	: 0.1	: 0	: 2	
FOREIGN	: 2.1 :	: 6.2	: -13.0	: 1.8	: 6	: 1	
SOYBEANS	:	:	:	:	:	:	:
WORLD	: 1.7 :	: 1.5	: -2.3	: 2.1	: 4	: 3	
U.S.	: 1.5 :	: 0.8	: -1.1	: 1.8	: 2	: 4	
FOREIGN	: 3.2 :	: 1.3	: -2.2	: 1.2	: 6	: 1	
COTTON	:	: --MILLION 480-LB. BALES--			:	:	:
WORLD	: 2.1 :	: 1.7	: -5.4	: 2.8	: 4	: 2	
U.S.	: 0.9 :	: 0.1	: -0.1	: 0.3	: 2	: 4	
FOREIGN	: 2.6 :	: 1.8	: -5.7	: 2.7	: 4	: 3	
UNITED STATES	:	: ----MILLION BUSHEL----			:	:	:
=====	:	:	:	:	:	:	:
CORN	: 0.1 :	: 6	: -6	: 38	: 1	: 1	
SORGHUM	: 0.1 :	: 1	: 0	: 4	: 0	: 1	
BARLEY	: 0.5 :	: 2	: -3	: 11	: 3	: 1	
OATS	: 0.1 :	: 0	: -2	: 0	: 2	: 0	

1/ The final estimate for 1981/82-1986/87 is defined as the first Nov. estimate following the marketing year and for 1987/88 last month's estimate.

2/ May not total seven if projection was the same as the final estimate.

3/ Includes corn, sorghum, barley, oats, rye, millet, and mixed grain.

FEBRUARY 1989

FOREIGN PRODUCTION ESTIMATES DIVISION, FAS, USDA

# WORLD AGRICULTURAL WEATHER HIGHLIGHTS

Date February 9, 1989

NOAA/USDA JOINT AGRICULTURAL WEATHER FACILITY



## WEATHER BRIEFS

### PERSISTENTLY DRY MEDITERRANEAN REGION

Much drier than normal winter weather through January has plagued southern Europe and northwestern Africa during the region's main rainy season. An unusually persistent fair weather system has been centered over southern Europe for most of the winter. Storm systems from the North Atlantic Ocean which typically pass through the region have instead been diverted to Scandinavia. Winter field crops from northern Yugoslavia through Italy, southern France, Spain, and Morocco to Tunisia have generally been stunted by lack of moisture. Below normal snows in mountain watersheds and limited reservoir recharge may also adversely affect irrigated summer crops, especially in the Po Valley of Italy. Precipitation has tended to be below normal in southern United Kingdom, northern France, and in southeast Europe, but soil moisture reserves still appear adequate to meet current crop demands.

### FAVORABLE WEATHER FOR THE REPUBLIC OF SOUTH AFRICA

Weather conditions appear to be providing excellent growing conditions for summer crops and rangeland in most of the Republic of South Africa. The primary corn growing areas in the Orange Free State and southern Transvaal have had abundant rainfall and near to below normal temperatures through January. Even typically dry and marginal areas on the western fringe of the "Maize Triangle" appear to be doing well. To the north, conditions quickly become less favorable in marginal crop regions of central and northern Transvaal. Drought stretches through the chronically dry and marginal crop lands of northern Transvaal, southern Zimbabwe, eastern Botswana, and southern Mozambique. The favorable crop conditions in the primary growing areas of southern Africa appear to more than counter-balance probable crop losses in the dry marginal areas.

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## PRODUCTION BRIEFS

### AUSTRALIA: 1988 CITRUS PRODUCTION REDUCED

The 1988 Australian citrus crop is now estimated at 574,000 tons, sharply below the earlier forecast of 665,000, according to the U.S. agricultural counselor in Canberra. New estimates by type, in thousand tons are: oranges - 468; lemons - 545; tangerines - 34; and grapefruit - 55. Unfavorable weather, a very mild and wet winter followed by unusually high temperatures in early spring, hurt orange yields especially. The mild winter is also reported to have brought on an outbreak of fruit fly in December 1988 in the Murrumbidgee Irrigation District in New South Wales. As a result, fresh oranges for out of state shipment and export will have to be treated for the next 12 months. A prior treatment order, resulting from an earlier outbreak, was due to end March 1989. This area accounts for 25 percent of Australian citrus production.

### TAIWAN: PORK PRODUCTION TO REMAIN HIGH

Pork production in Taiwan is projected to reach 920,000 tons in 1989 and to continue at this level in 1990. This would be unchanged from 1988 but down slightly from the record 1987 level of 938,000 tons. Hog numbers at the start of 1989 at 6.95 million head were down from the record 1988 level of 7.13 million, but beginning 1989 sow numbers were a record 830,000. Hog prices were US\$ 82 per 100 pounds (NT\$ 5127 per 100 KG) slightly above year ago levels at the end of November while feed prices at the end of September were up 3 percent. Prices had fallen sharply during April - May 1988 due to sulfa drug contamination problems with pork exported to Japan, Taiwan's major pork export market. The rebound in hog prices seems to have encouraged most hog farmers to continue high inventory numbers despite the fact that Taiwan's pork will now be subject to stricter residue inspections, and total sales to Japan are projected to be reduced.

### AUSTRALIA: SHEEP FLOCK EXPANSION SLOWS CATTLE HERD GROWTH

High wool prices have encouraged sheep flock expansion in Australia, according to the U.S. agricultural counselor in Canberra. Beginning 1989 sheep numbers are estimated at 172.4 million head, up 4.7 percent from last year. Cattle numbers are estimated at 24.1 million head, up 2.5 percent. By 1993, despite an expected slow down in growth, sheep numbers are expected to reach the 1969-70 record level of 180 million head. Cattle numbers totaled 22 million head in 1969-70. Without additional supplemental feeding or changes in crop acreage levels cattle herd growth may be limited because of the lack of pasture. Australian cattle farmers also want to take advantage of good returns on beef exports and this has slowed cattle herd growth.

#### GHANA: NEW AGRICULTURAL PRODUCTION PROGRAMS ANNOUNCED

The agricultural sector grew six percent this year, exceeding domestic production targets in all major staple crops, according to the Ghanaian Ministry of Agriculture. Much of the increase was due to excellent cropping conditions. However, in order to encourage continued growth in the agricultural industry, the government recently announced several new programs to be implemented in the coming year. The largest program is a US\$53.5 million Agricultural Services Rehabilitation Project intended to streamline infrastructure bottlenecks in the agricultural sector. Problem areas identified include insufficient and untimely delivery of credit, inadequate and sporadic delivery of inputs, ineffective extension services, and inappropriate marketing arrangements. The government also plans to implement a revised set of banking policies which should increase the flow of credit to farmers. Two smaller projects planned for implementation this year include a Japanese grant designed to increase rice production in the northern region and a Food and Agricultural Organization (FAO) program to assist the Ministry of Agriculture in the establishment of a national pesticide registration and control scheme.

#### BANGLADESH: BUMPER 1988/89 RICE CROP DESPITE WEATHER PROBLEMS

Bangladesh's 1988/89 rice crop has successfully recovered from severe late-summer weather, according to the U.S. agricultural counselor in New Delhi. Current reports indicate production at near-record levels despite extensive monsoonal flooding and cyclone damage. The Aman rice crop has apparently fared much better than earlier expected. Damage from the November cyclone affected primarily crops in the southwest coastal districts, resulting in roughly a 3 percent reduction in overall Aman harvested area. Crop losses from the cyclone, however, were reported to have been more than offset by higher yields in the northwest, southeast, and southwest sections of the country due to greater seasonal rainfall and expanded use of high yielding varieties. Current expectations for the upcoming Boro rice crop are also extremely favorable. Boro rice area is expected to increase dramatically owing to excellent growing conditions, reduced competition from wheat, favorable prices, and increased input availability.

#### EGYPT: COTTON AREA NOT EXPECTED TO INCREASE IN 1989

The outlook for 1989 is for continued below average plantings. Although the government has mandated a 40-45 percent increase in procurement price, it may not be high enough to overcome market price incentives for competing crops. Moreover, producers are becoming more resistant to government planting requirements and are not as confident of yield potential after two below average years. Ideally cotton is planted in February, following a clover crop.

Cotton production in Egypt during the 1988/89 season is estimated down 10 percent from 1987/88 year due to a drop in yield. Area was up slightly over last year's below average level as the result of an increased procurement price, continued government fines issued for failure to plant mandated cotton area, and reduced rice area caused by irrigation water shortages. Yields were adversely impacted due to late plantings and poor weather.

For 1989/90, however, the high market price for clover caused farmers to delay planting cotton in order to take a final cutting of clover in late March. Although the government increased the procurement price for cotton, it was still not competitive with the market prices of other crops.

#### AUSTRALIA: 1988/89 COTTON PLANTINGS DECLINE

Australian cotton area has declined sharply this year, as estimated by the Australian Bureau of Agricultural and Resource Economics in its January 17 crop report. Planted area in 1988/89 is estimated at 183,000 hectares, approximately 21 percent below last year's 232,000 hectares. Plantings declined in both New South Wales and Queensland by 12 percent and 41 percent, respectively. However, lower dryland plantings in Queensland are cited as the primary reason for the overall drop in cotton area, with planted area in the state now estimated at 42,000 hectares. In New South Wales, where virtually the entire crop is grown under irrigation, planted area is forecast at 141,000 hectares. Weather conditions for the 1988/89 crop have been favorable, with early season dryness reportedly giving the crop the best start in several years. Cooler weather in December, along with substantial showers across the cotton region helped maintain overall crop potential. According to the U.S. agricultural counselor in Canberra, this year's large dryland area cutbacks stem from extremely dry conditions in December and January. The rapid appreciation of the Australian dollar in November also was reported to have affected planting decisions, as such a jump in local currency reportedly has a huge impact on grower returns. With the greater proportion of the remaining cotton crop in both New South Wales and Queensland being irrigated, average yields are expected to increase. Australian 1988/89 lint production is currently estimated at 1.125 million (480 pound) bales, or 11 percent below the 1987/88 crop of 1.268 million bales.

# WORLD SUGAR PRODUCTION FORECAST LOWERED

World 1988/89 centrifugal sugar production is now forecast at 106.2 million tons (raw value), down 1 percent from the 106.8 million ton forecast made by the USDA in January 1989 and almost a million tons less than the forecast made September 21, 1988. Most of the reductions can be attributed to a decline of 380,000 tons in West Germany and 200,000 tons each in Brazil and China. An increase of 162,000 tons in France partially offset the decreases. The current level is 3 percent more than last year's revised outturn. World production of sugar from cane for 1988/89 is forecast at 67.5 million tons, up 3 percent from a year ago; sugar from beets is forecast at 38.7 million tons, 1 percent more than a year earlier. Regional sugar production estimates are as follows in million tons (raw basis):

Region	(Revised)			(Forecast)		
	-----1987/88-----			-----1988/89-----		
	Beet	Cane	Total	Beet	Cane	Total
North America	3.72	6.85	10.57	3.2	6.9	10.1
South America	.43	12.97	13.41	.4	13.2	13.6
Central America	--	1.71	1.71	--	1.8	1.8
Caribbean	--	8.59	8.59	--	9.2	9.2
EC-12	14.02	.02	14.04	15.0	1/	15.0
Other West Europe	.85	--	.85	1.1	--	1.1
East Europe	5.59	--	5.59	5.0	--	5.0
USSR	9.56	--	9.56	10.0	--	10.0
North Africa	.51	1.50	2.01	.5	1.6	2.1
Other Africa	--	5.92	5.92	--	5.9	5.9
Middle East	2.11	.31	2.42	1.9	.3	2.2
Asia 2/	1.37	23.52	24.89	1.6	24.7	26.3
Oceania	--	3.93	3.93	--	4.1	4.1
Total 3/	38.16	65.32	103.48	38.7	67.5	106.2

1/ Less than 50,000 tons.

2/ Includes an estimated 320,000 tons of Khandsari sugar in India for 1987/88, 420,000 tons in 1988/89.

3/ May not add due to rounding.

## FEATURE COMMODITY ARTICLES

### FOREIGN COTTON HARVESTED AREA INDICATIONS FOR 1989/90

Preliminary indications are that foreign harvested cotton area in 1989/90 could range from 28.0 to 29.5 million hectares. This range suggests a possible reduction from the 29.5 million hectares harvested the previous season given current relatively low world cotton prices and relatively static demand.

As in past years, there is a great deal of uncertainty over cotton area in China, the world's largest producer. Any attempt to estimate cotton plantings is complicated by the fact that no final decision has been made on the 1989 cotton program. Price increases are needed so that China can maintain its role as a major exporter of both raw cotton and textiles, while at the same time meeting its rapidly rising domestic consumption requirements.

At this time, moderate price increases are anticipated as the Chinese government attempts to bring inflation under control, but this may not be enough to prevent area from falling below last year's level. The government has taken steps to prevent farm input shortages that occurred last season, when fertilizer sales on the free market forced many farmers to pay prices which were reportedly much higher than state prices. Specifically, the state has announced that it will exert greater control over the distribution of fertilizers, pesticides, and diesel fuel. However, according to a recent survey, farmers do not perceive these measures as being lucrative enough to increase sowings. Consequently, some cotton area is likely to shift to other crops which, unlike cotton, can be sold profitably on the free market. If cotton prices are raised, then area decreases will be more moderate.

In the Soviet Union, cotton area could decrease slightly in accordance with the intensive technology program which, as currently implemented, emphasizes yield rather than area expansion. While cotton will continue to be the major crop grown in Central Asia, the Soviets will continue to encourage cotton and alfalfa crop rotation.

In Mexico, lower grower prices and undesirable stock levels could result in decreased cotton plantings. Planting decisions remain uncertain in many Central American countries. Political and labor unrest, foreign exchange needs, and input costs will largely determine cotton production policy in many of these countries.

In South America, 1989 cotton plantings are likely to be lower than the previous season if cotton prices remain at current levels. Decreased plantings are particularly likely in the three largest producing countries--Brazil, Paraguay, and Argentina. In Brazil, the largest of the three, sowings will be influenced directly by the level of rural credit available, minimum support prices, and food crop prices at planting time.

In Asia, excluding China, and Oceania, cotton plantings should be moderately above last year. In Pakistan, area will be close to last year's high level due to strong internal and export demand. Barring unfavorable weather, some yield increase is likely due to continued use of improved varieties, better agronomic practices, and an adequate supply of inputs. The cotton area in India is likely to be up slightly due to strong domestic prices. The irrigated crop, which will be planted in the spring, represents one-third of total production. Plantings in the remainder of the cotton belt will depend upon monsoon and post-monsoon rain. In Turkey, sowings are expected to be slightly below last year. Plantings are directly influenced by support prices and at times these prices have not adequately covered input costs. However, plantings could approach last season's level if domestic cotton prices continue to show sharp increases. In Australia, sowings are expected to increase if higher cotton prices prevail at planting time late this year. No overall area change is anticipated in Syria.

A moderate increase is forecast for cotton plantings in Africa. Many of these countries depend very heavily on sorely needed foreign exchange earnings from cotton exports. Because of this need, there is strong support for the cotton sector. In West Africa, this is particularly true for several countries such as Cote d'Ivoire, Mali, Benin, Cameroon, and Burkina Faso. On the other hand, in Egypt, a slight decrease in plantings is likely unless there are significant changes in government programs, as farmers expand plantings of more profitable food crops. In Sudan, it appears that area will increase if major irrigation systems were not damaged by late season floods last year. Area in Zimbabwe also is anticipated to increase as government policy continues to favor moderate cotton area expansion.

In the European Community (EC), cotton area will be in line with last year's level since the EC will maintain support prices at current levels. In Greece, the largest producer, potential for expansion is limited by the coresponsibility levy. The levy, which will remain at last year's level, is a payment made by farmers for overproduction. Moreover, cotton area expansion can only take place at the expense of corn and/or sugarbeet production.

NOTE: Information in this article is based on field reports from US agricultural counselors and attaches received in early January 1989. Actual area could vary from these estimates for a number of reasons, including government policy, weather during the crop season, and price changes for cotton and competing crops. The first official USDA forecast of total foreign harvested area will be issued in May. Individual country estimates for area, yield and production will be released in July.

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Table 10

## COTTON, AREA, YIELD, AND PRODUCTION: FOREIGN AND SELECTED COUNTRIES AND REGIONS

COUNTRY/REGION	Area			Yield			Production		
	1986/87	1987/88	1988/89	1986/87	1987/88	1988/89	1986/87	1987/88	1988/89
-----Thousand Hectares-----									
-----Kg Per Hectare----									
---Thousand 480-Pound Bales---									
MEXICO AND CENTRAL AMERICA									
Costa Rica	1	1	1	653	653	653	3	3	3
Cuba	4	4	4	272	272	272	5	5	5
Dominican Republic	1	2	3	1,524	980	726	7	9	10
El Salvador	13	14	15	854	715	871	51	46	60
Guatemala	31	40	34	913	1,197	1,153	130	220	180
Haiti	13	13	13	167	167	167	10	10	10
Honduras	4	5	8	762	653	544	14	15	20
Mexico	150	230	255	926	956	1,110	638	1,010	1,300
Nicaragua	65	60	40	764	591	680	228	163	125
TOTAL	282	369	373	838	874	1,000	1,086	1,481	1,713
SOUTH AMERICA									
Argentina	330	515	510	318	547	374	482	1,295	875
Bolivia	8	9	2	272	363	218	10	15	2
Brazil	2,165	2,312	2,285	303	327	314	3,008	3,468	3,300
Colombia	175	233	215	610	577	628	490	618	620
Ecuador	20	17	18	370	371	387	34	29	32
Paraguay	275	400	450	306	438	411	386	804	850
Peru	125	138	153	580	704	676	333	446	475
Venezuela	50	59	65	353	480	419	81	130	125
TOTAL	3,148	3,683	3,698	334	402	370	4,824	6,805	6,279
WESTERN EUROPE									
Greece	205	202	240	1,025	871	925	965	808	1,020
Italy	3	3	3	218	218	218	3	3	3
Spain	77	79	132	1,066	1,042	874	377	378	530
TOTAL	285	284	375	1,028	912	902	1,345	1,189	1,553
EASTERN EUROPE									
Albania	28	28	28	272	272	272	35	35	35
Bulgaria	14	14	14	327	311	311	21	20	20
Yugoslavia	1	1	1	435	435	435	2	2	2
TOTAL	43	43	43	294	289	289	58	57	57
AFRICA									
Angola	25	25	25	174	174	174	20	20	20
Benin	100	80	110	479	337	366	220	124	185
Burkina Faso	115	120	140	574	524	443	303	289	285
Cameroon	94	95	105	517	474	518	223	207	250
Central African Republic	80	75	65	120	99	167	44	34	50
Chad	135	160	190	252	299	286	156	220	250
Egypt	443	416	420	909	845	752	1,850	1,614	1,450
Ethiopia	55	55	55	356	356	356	90	90	90
Ghana	6	6	9	363	327	363	10	9	15
Cote d'Ivoire	159	180	210	587	634	570	429	524	550
Kenya	138	138	140	55	55	54	35	35	35
Madagascar	20	18	20	708	665	708	65	55	65
Malawi	30	50	50	196	218	218	27	50	50

(CONTINUED)

Table 10

## COTTON, AREA, YIELD, AND PRODUCTION: FOREIGN AND SELECTED COUNTRIES AND REGIONS

COUNTRY/REGION	Area			Yield			Production		
	1986/87	1987/88	1988/89	1986/87	1987/88	1988/89	1986/87	1987/88	1988/89
	-----Thousand Hectares-----			-----Kg Per Hectare----			---Thousand 480-Pound Bales---		
Mali	146	135	160	538	555	565	361	344	415
Morocco	14	15	18	591	740	556	38	51	46
Mozambique	142	135	125	123	113	113	80	70	65
Niger	4	9	8	272	435	354	5	18	13
Nigeria	285	320	320	99	94	112	129	138	165
Senegal	25	45	40	427	334	435	49	69	80
Somalia	12	12	11	127	127	99	7	7	5
South Africa	160	204	210	367	346	363	270	324	350
Sudan	350	321	300	468	416	435	753	613	600
Tanzania	450	470	470	159	175	174	328	378	375
Togo	55	60	70	602	468	435	152	129	140
Uganda	200	260	300	60	71	73	55	85	100
Zaire	60	62	64	109	81	102	30	23	30
Zambia	32	58	62	252	274	298	37	73	85
Zimbabwe	240	260	280	363	410	373	400	490	480
TOTAL	3,575	3,784	3,977	376	350	342	6,166	6,083	6,244
OTHER ASIA AND OCEANIA 1/									
Afghanistan	50	50	50	435	435	435	100	100	100
Australia	148	232	183	1,446	1,190	1,338	983	1,268	1,125
Bangladesh	13	10	9	318	370	290	19	17	12
Burma	191	183	180	141	148	151	124	124	125
Cyprus	1	1	1	218	218	218	1	1	1
India	7,280	7,400	7,700	222	207	232	7,418	7,027	8,200
Indonesia	17	17	20	179	179	218	14	14	20
Iran	188	192	200	591	542	544	510	478	500
Iraq	65	65	65	218	218	218	65	65	65
Israel	46	40	49	1,500	1,497	1,511	317	275	340
North Korea	7	7	7	156	156	156	5	5	5
South Korea	1	1	1	435	218	218	2	1	1
Pakistan	2,505	2,568	2,552	527	573	559	6,060	6,764	6,550
Philippines	14	14	14	373	389	389	24	25	25
Sri Lanka	5	5	5	218	218	218	5	5	5
Syria	144	128	171	874	835	910	578	491	715
Thailand	49	66	81	391	376	376	88	114	140
Turkey	589	586	707	880	916	924	2,380	2,465	3,000
Vietnam	15	15	15	145	145	145	10	10	10
Yemen (Aden)	16	16	16	340	340	340	25	25	25
Yemen (Sanaa)	25	25	25	348	348	348	40	40	40
TOTAL	11,369	11,621	12,051	359	362	379	18,768	19,314	21,004
OTHER FOREIGN									
China	4,306	4,844	5,500	824	877	740	16,300	19,500	18,700
USSR	3,475	3,527	3,450	762	700	802	12,157	11,345	12,700
TOTAL	7,781	8,371	8,950	796	802	764	28,457	30,845	31,400
TOTAL FOREIGN	26,483	28,155	29,467	499	509	504	60,704	65,774	68,250

1/ Excludes China.

## BRAZILIAN SOYBEAN PRODUCTION

Brazil is second only to the United States in soybean production and has increased soybean production nearly 90 percent since 1977/78 to an estimated 17.8 million tons during 1987/88. This season soybean production is forecast to increase an additional 12 percent to a record 20.0 million tons. High world soybean prices have encouraged an expansion of soybean area.

### Background

The major producing states in Brazil are Parana, Rio Grande do Sul, Mato Grosso, and Mato Grosso do Sul. These four states account for approximately 75 percent of total soybean production. Normal planting occurs from September 15 through December 15; however, planting through early January is not unusual. Flowering and pod-filling occur from January through mid-March. Traditionally soybeans were grown predominantly in Rio Grande do Sul and Parana. Although these two states are still the nation's largest producers, nearly 3 million new hectares have been planted in the last 10 years throughout the central states of Mato Grosso, Mato Grosso do Sul, Goias, and Minas Gerias, and Bahia in the northeast. Soybean production within the states of Mato Grosso and Mato Grosso do Sul has increased significantly. The table below compares the percentage of total production of soybeans by major producing states.

Table 11  
Brazil: Estimated Soybean  
Production By State 1/

State	1978/79	1988/89
	-----percent-----	
Parana	39	21
Rio Grande do Sul	35	28
Sao Paulo	8	5
Santa Catarina	4	3
Mato Grosso do Sul	8	12
Mato Grosso	0	15
Goias	3	8
Minas Gerias and Bahia	3	7

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1/ Not official USDA estimates.  
Percentages are rounded.

Many of the producers in the new lands moved north from Parana and Rio Grande do Sul to take advantage of inexpensive land prices. The central region has the advantage of abundant and consistent rainfall throughout the growing season, however, soil fertility is limited. Soils are generally treated with fertilizer and lime before cultivation. Producers often plant rice as a first crop, due to its ability to withstand greater soil acidity, and then follow up the next year with soybeans. New soybean varieties have recently been introduced which are more resistant to low pH soils, encouraging producers to move directly into soybeans after the land is cleared.

In the central states arable land is readily available for cultivation, however, the logistics of crop movement and marketing have affected crop expansion in these regions. The limited infrastructure throughout these growing areas and the restricted access to port facilities give rise to higher production and marketing costs for local producers. While national production is generally driven by international prices and export potential, in the central states the added costs of land clearing and transportation also have an impact on planting intentions. As crushing, transportation, and port facilities become more accessible, production will become more profitable and the rate of expansion will probably increase.

Short-season determinate varieties are the most widely grown type of soybean in Brazil. An estimated 70 percent of soybeans are short-season varieties which require approximately 120 days to maturity. Medium and long-season varieties (requiring about 150 days to maturity) account for the remainder in equal proportions. Indeterminate varieties have some resistance to dry weather and the important ability to continue growth after flowering. Current field testing of new short-season indeterminate varieties by cooperatives in Parana have been very successful.

#### 1988/89 Planting Situation and Crop Development

Foreign Agricultural Service personnel traveled throughout the states of Rio Grande do Sul and Parana during January. Their travel included numerous field visits and interviews with government and industry economists and agronomists. The following discussion is based on the findings of this trip.

Parana - Parana experienced very dry weather conditions from September through early December, with only isolated pockets of rain sufficient to sustain germination of early planted crops. In most of Parana planting was delayed until December's long awaited rain. At least half of the crop was planted after December 15. Many fields were observed with plants 6 to 15 inches in height. Flowering and podding plants were commonly 24 inches in height. However, most fields appeared well established, uniform, and with good vegetative development. Germination did not appear to have been a problem. Most farmers increased the seeding rate to compensate for anticipated below-normal germination. Some fields were fortunate to have been planted with relatively drought resistant long-season and indeterminate varieties.

While it was generally agreed by those interviewed that area intentions and production in Parana were hampered due to the dry weather, the present crop was given an excellent chance for normal yields if conditions improved. Given above normal rainfall of 3.2 inches (80 millimeters) each month in 4 to 5 intervals, average yields could reach between 2.0 to 2.2 metric tons per hectare.

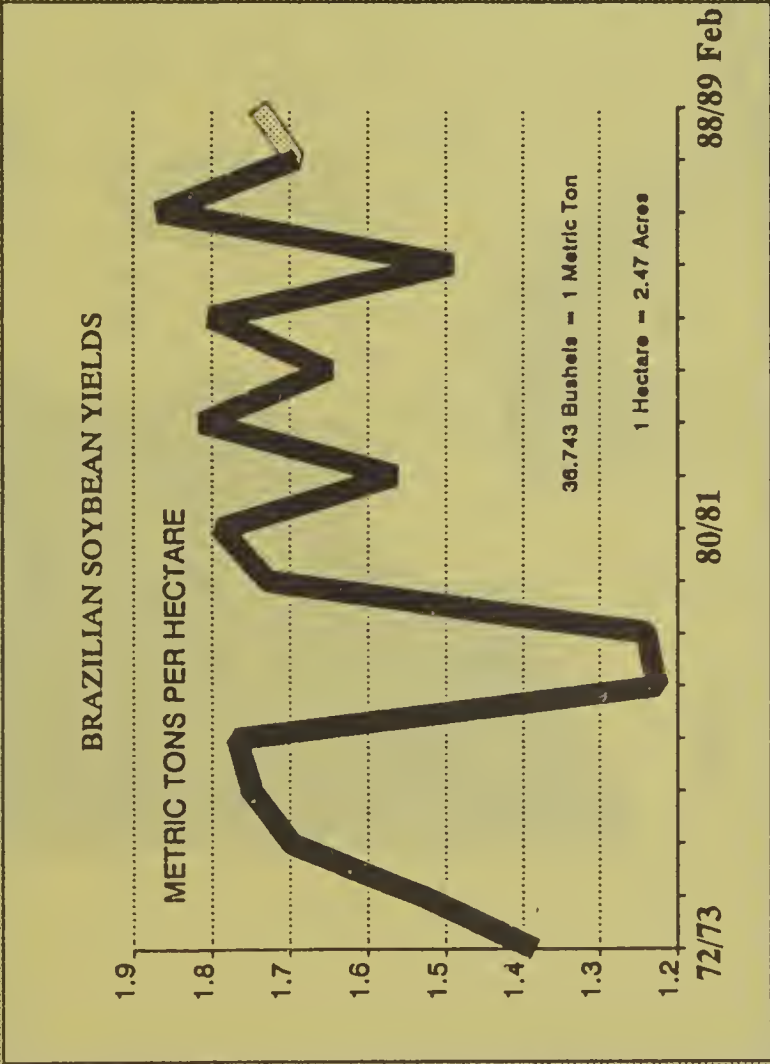
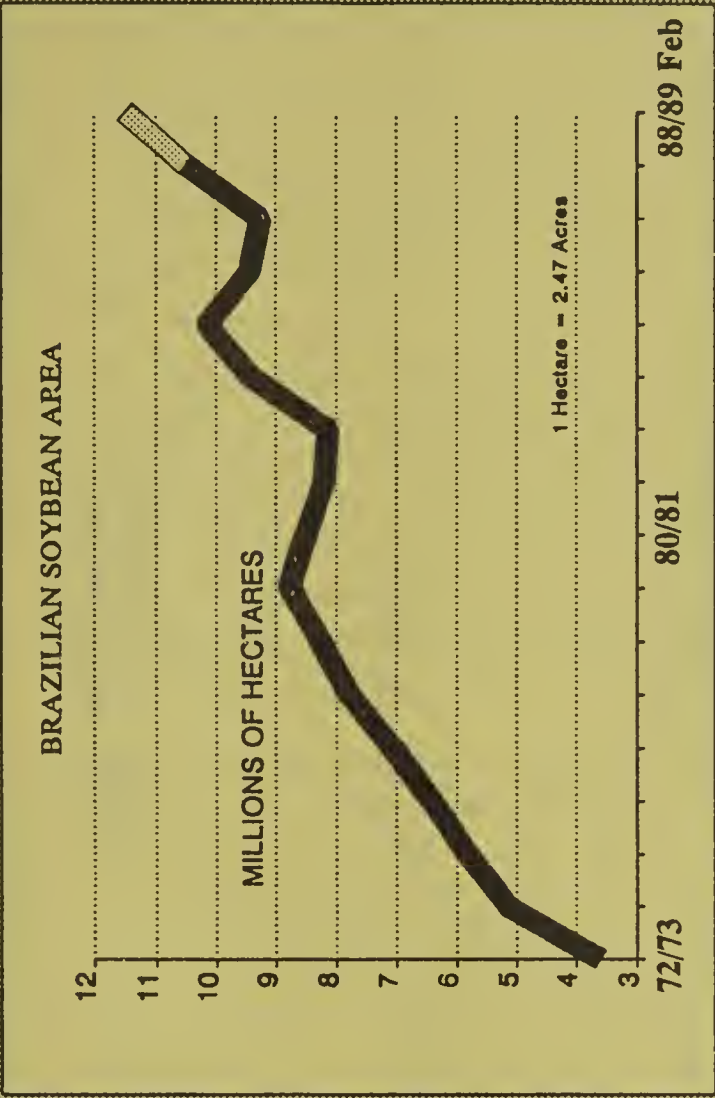
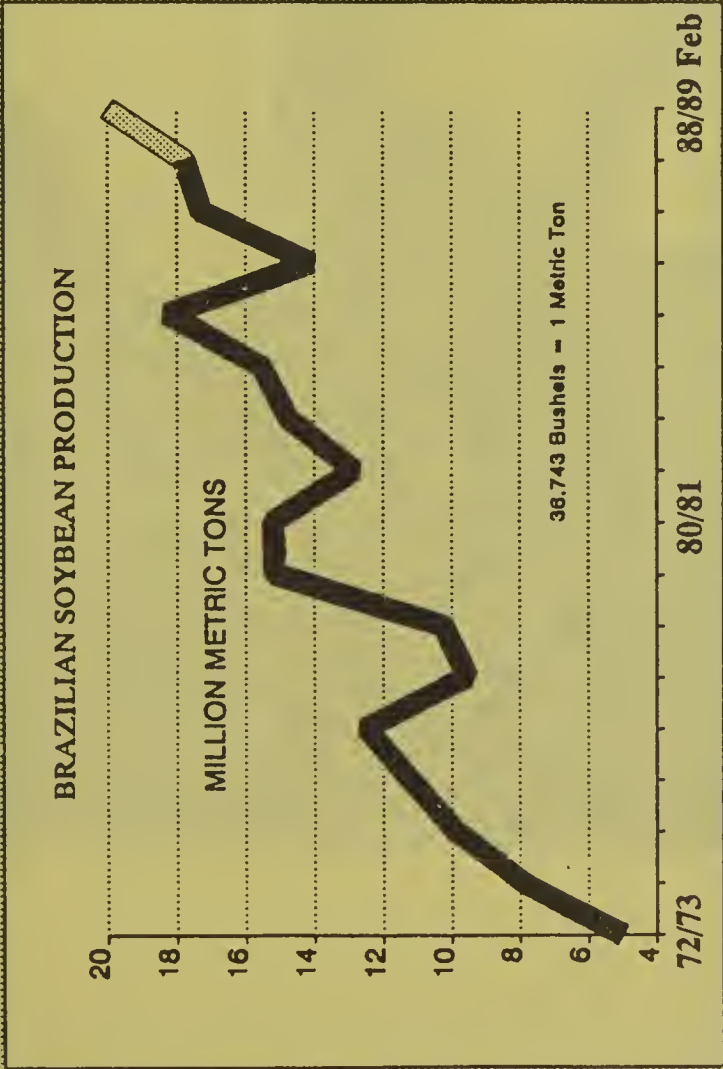
Rio Grande Do Sul - This season Rio Grande do Sul received sufficiently good weather to plant an estimated 80 percent of the crop within the normal period of October 15 through November 30. As of the week of January 13, plants established in October/November were nearly waist-high and flowering was well underway. A considerable number of fields appeared to have been planted in November/December with growth somewhat less extensive. All fields appeared lush, uniform, and healthy. Most industry specialists and farmers interviewed anticipate a potential record average state yield of perhaps 1.6-1.7 metric tons per hectare. However, this would require better than normal weather for the remainder of the season.

Mato Grosso and Mato Grosso Do Sul - While the states of Mato Grosso and Mato Grosso do Sul were not visited, several farmer cooperatives interviewed have established strong farmer participation in these regions. It was generally agreed that rainfall and growing conditions in both of these states have been normal. Planted soybean area in these two states is estimated to have increased by an average 12-13 percent over last season, bringing soybean area to 475 percent of what it was in 1978/79.

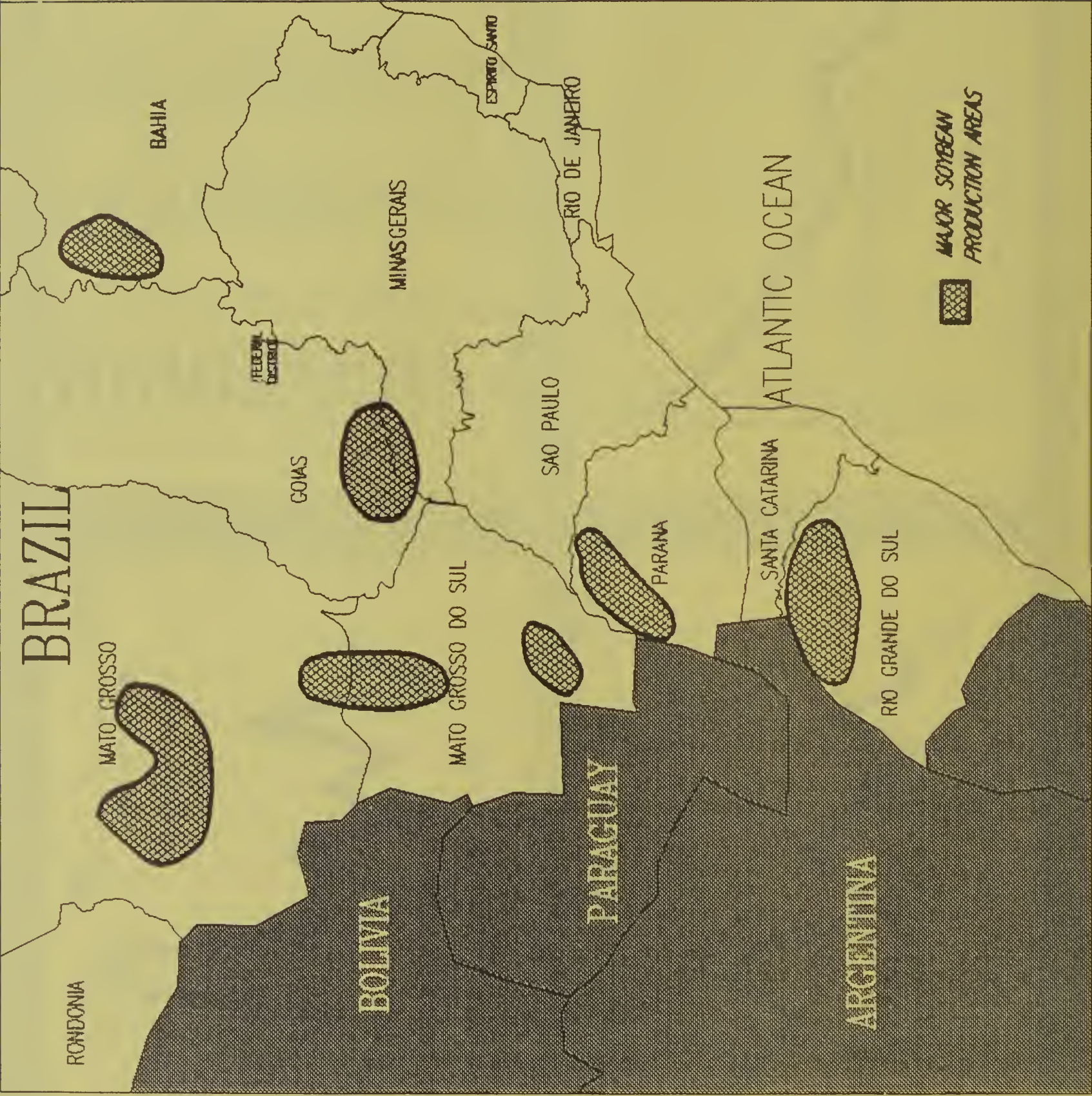
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Chart 1



YEAR	OUTPUT (1,000 MT)	AREA (1,000 HA)	YIELD (MT/HA)
1974/75	9,892	5,824	1.70
1975/76	11,227	6,417	1.75
1976/77	12,513	7,070	1.77
1977/78	9,541	7,782	1.23
1978/79	10,240	8,256	1.24
1979/80	15,156	8,774	1.73
1980/81	15,200	8,501	1.79
1981/82	12,835	8,202	1.53
1982/83	14,750	8,136	1.81
1983/84	15,541	9,421	1.65
1984/85	18,278	10,153	1.80
1985/86	14,100	9,450	1.49
1986/87	17,300	9,270	1.87
1987/88	17,800	10,513	1.69
1988/89 Feb	20,000	11,500	1.74



## ARGENTINE SOYBEAN AND CORN SITUATION, FEBRUARY 1989

Foreign Agricultural Service personnel traveled for 10 days through the major summer crop growing areas of the Argentine pampa during late January to assess the damage caused by this season's extended drought. The production estimate for corn is placed at 6 million tons, down 25 percent from the previous estimate, while the soybean estimate is 9 million tons, down 18 percent. The estimates are reduced due to higher abandonment rates and lower yield potentials.

Due to very erratic rainfall patterns in Argentina during the past couple of months, summer crop conditions and yield potentials vary widely throughout the pampa. Eastern and central Cordoba, western Santa Fe, northern La Pampa, and southwestern Buenos Aires provinces have suffered the heaviest crop losses. These areas account for approximately 20 to 30 percent of the total soybean crop and 30 to 40 percent of the total corn crop. Regions which should have relatively better production potential include northern and southern Buenos Aires, southeastern Santa Fe, and the central soybean region of Cordoba.

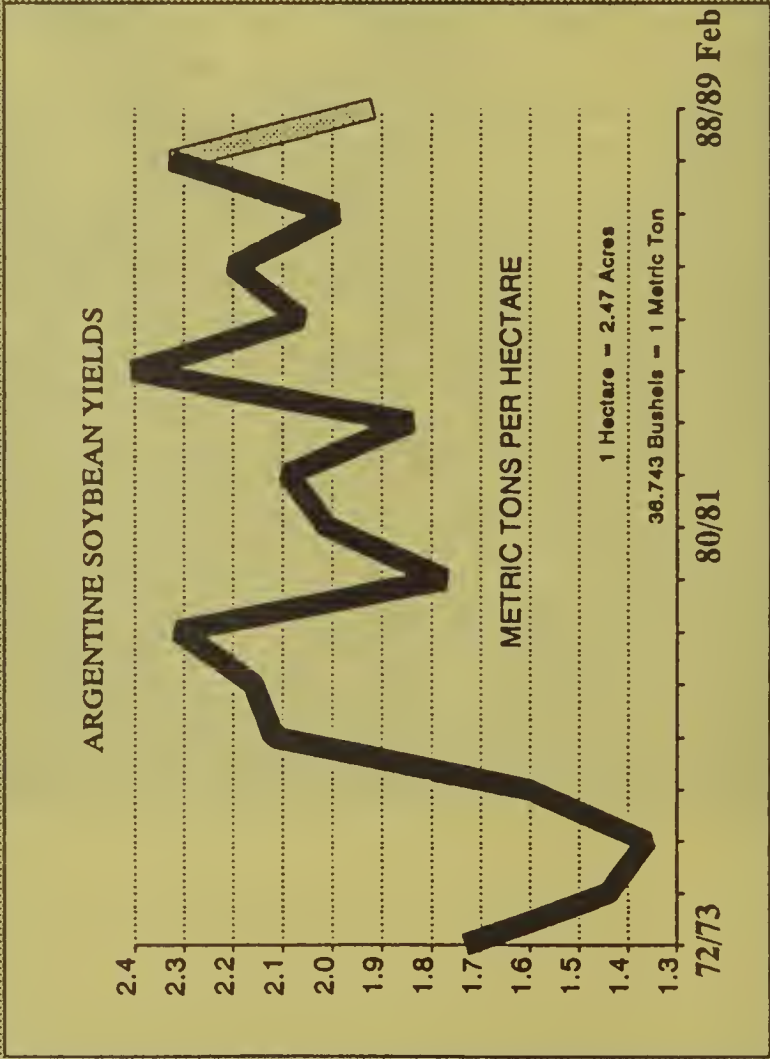
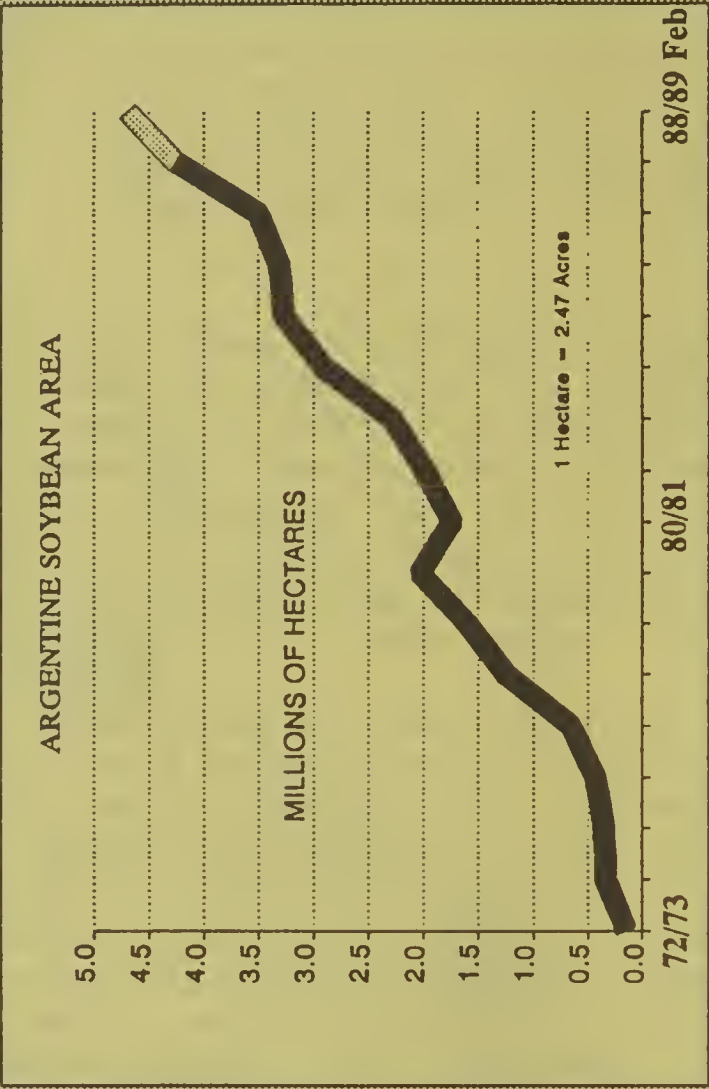
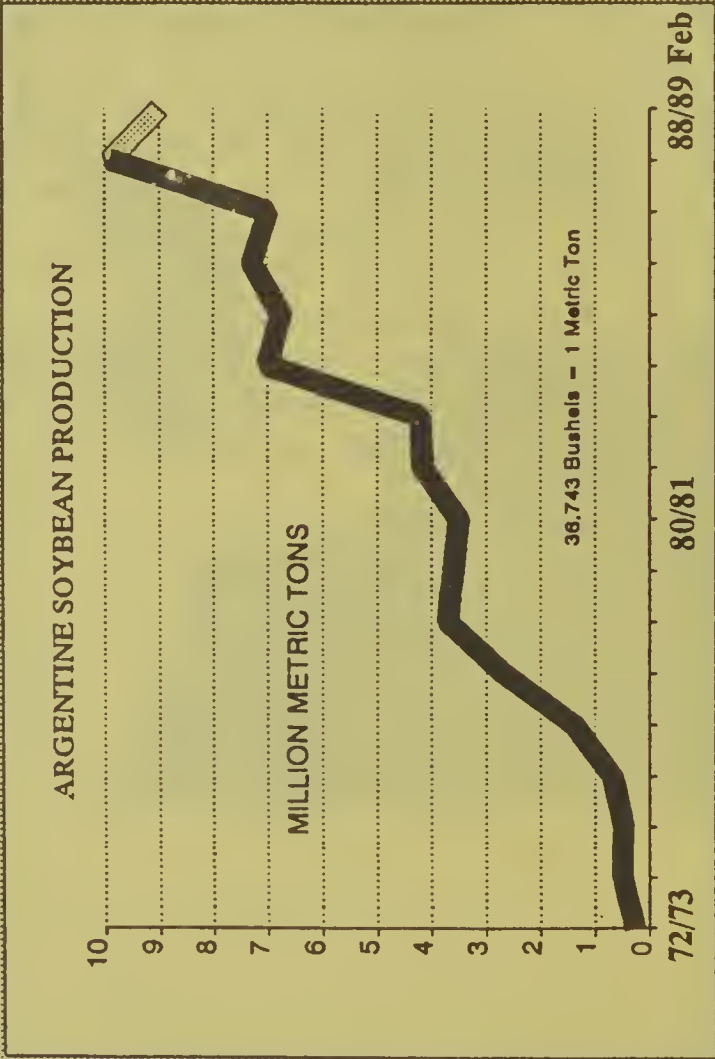
Soybean crop stage ranged from planting in eastern Cordoba to pod-filling in southern Santa Fe, but the majority of the crop was just entering first flowering at the time of crop travel. In general, the crop was stunted and appeared to be dormant in many areas. In the worst drought areas, yellow patches of dead soybean plants were evident. Pest, disease, and weed problems were present, but will not significantly reduce overall production. According to interviews with traders, research agronomists, and government officials, yield reductions of 15 to 20 percent below normal are expected due to the drought. Higher-than-normal rates of field abandonment also can be expected in the hardest hit areas of the country.

Corn crop stage ranged from pre-tassel, in parts of northern Buenos Aires, to harvested in northern Santa Fe. Forty to fifty percent of the crop was in the reproductive stage during an episode of temperatures 100 degrees F in late December and early January. Pollination problems were evident in many fields. Unusually high corn losses can be expected in western Buenos Aires and eastern La Pampa provinces. Many producers have allowed their cattle to forage standing corn crops rather than harvest it for grain due to the low yield potential of the crop. There also was notable hail damage, ear worm infestation, and competition from Johnsongrass throughout the country. Field travel and information from many contacts verify that corn production losses of 30 percent or more will be common in many regions of the country.

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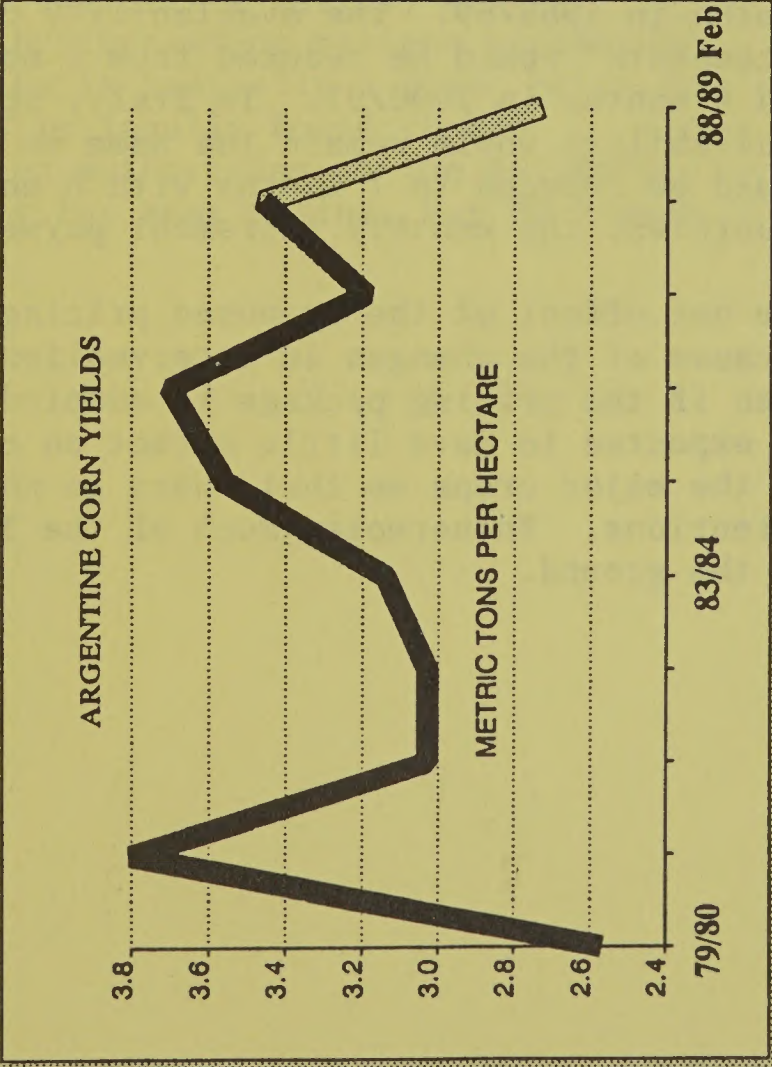
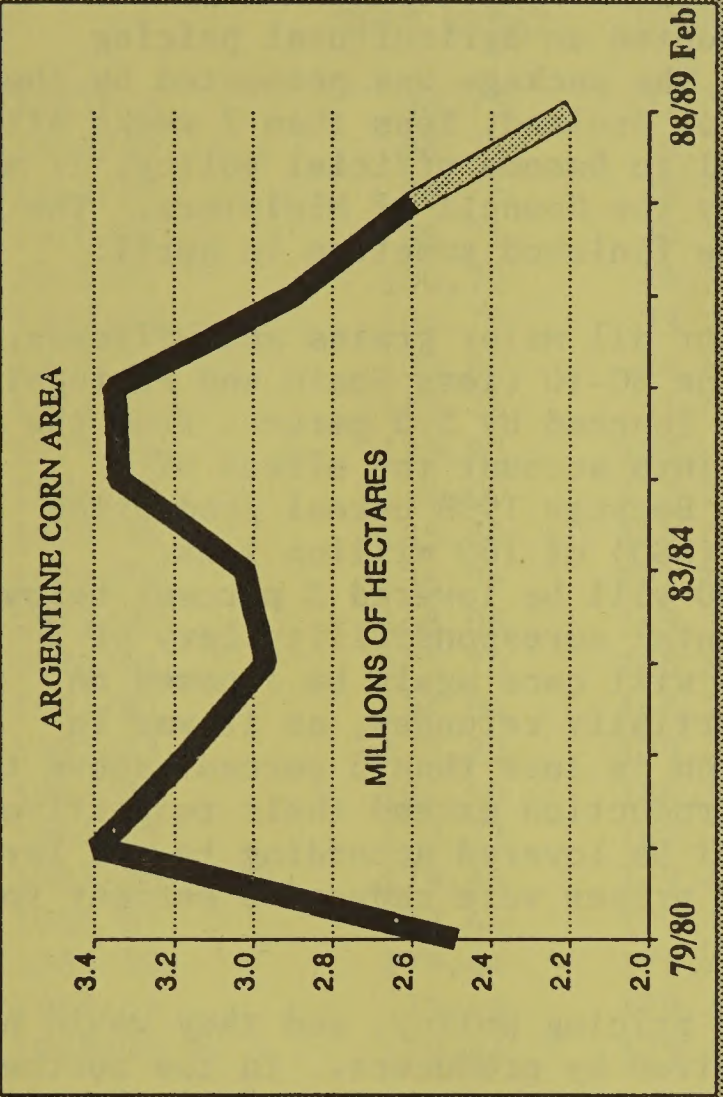
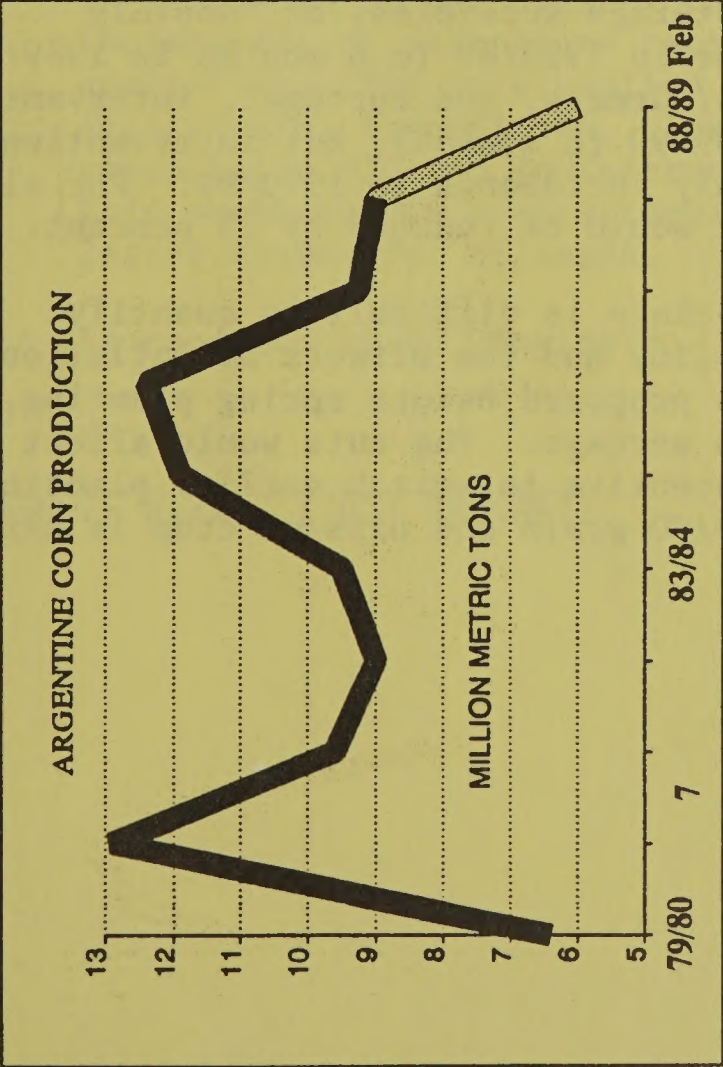
Kenneth Hylton, (202) 475-5140

Chart 2



YEAR	OUTPUT (1,000 MT)	AREA (1,000 HA)	YIELD (MT/HA)
1974/75	485	356	1.36
1975/76	695	434	1.60
1976/77	1,400	660	2.12
1977/78	2,700	1,250	2.16
1978/79	3,700	1,600	2.31
1979/80	3,600	2,030	1.77
1980/81	3,500	1,740	2.01
1981/82	4,150	1,989	2.09
1982/83	4,200	2,281	1.84
1983/84	7,000	2,910	2.40
1984/85	6,750	3,270	2.06
1985/86	7,300	3,316	2.20
1986/87	7,000	3,510	1.99
1987/88	9,900	4,260	2.32
1988/89 Feb	9,000	4,700	1.91

Chart 3



CORN PRODUCTION, AREA AND YIELD

YEAR	OUTPUT (1,000 MT)	AREA (1,000 HA)	YIELD (MT/HA)
1979/80	6,400	2,490	2.57
1980/81	12,900	3,394	3.80
1981/82	9,600	3,170	3.03
1982/83	9,000	2,970	3.03
1983/84	9,500	3,024	3.14
1984/85	11,900	3,340	3.56
1985/86	12,400	3,351	3.70
1986/87	9,250	2,900	3.19
1987/88	9,000	2,600	3.46
1988/89 Feb	6,000	2,200	2.73

## EC COMMISSION ADOPTS FARM PRICE PROPOSALS FOR 1989/90

On January 18, 1989, the EC Commission adopted an agricultural pricing proposal for the 1989/90 marketing year. The package was presented by the new Agricultural Commissioner, Ray MacSharry of Ireland, less than 2 weeks after he took office. In order for the proposal to become official policy, it must first go through debate and be approved by the Council of Ministers. The Commission hopes that this process will be finished sometime in April.

Under the proposal, intervention prices for all major grains and oilseeds, except durum wheat, would be frozen for the EC-10 (less Spain and Portugal). The intervention price for durum would be lowered by 5.5 percent from the 1988/89 level. These prices do not take into account the effect of stabilizers and coresponsibility levies. Because 1988 cereal production exceeded the Maximum Guaranteed Quantity (MGQ) of 160 million tons, intervention prices for cereals in 1989/90 will be lowered 3 percent below the announced price. In addition, a supplemental coresponsibility levy of 3 percent (beyond the basic 3 percent levy) will once again be imposed on farmers. The supplemental levy may be partially refunded, as it was in 1988/89, if total 1989 EC cereal production is less than 3 percent above the MGQ. If 1989 rapeseed or sunflowerseed production exceed their respective MGQ's, the 1989/90 intervention price will be lowered according to the level of overproduction. In 1988/89, announced prices were reduced 8 percent for rapeseed and 20 percent for sunflowerseed.

Other changes were also proposed for farm pricing policy, and they would have a downward effect on the final price received by producers. In the northern countries, farmers would be able to sell grain and oilseeds into intervention during only 7 months in 1989/90, and 5 months during 1990/91, in contrast to 8 months in 1988/89. The availability of storage subsidies, or "monthly increments" would be reduced from 7 months in 1988/89 to 6 months in 1989/90 and 4 months in 1990/91. In Italy, Spain, Greece, and Portugal, intervention availability would remain the same in 1989/90 (8 months), but intervention would be reduced to 7 months with 6 monthly increments in 1990/91. For all countries, the monthly increment payments would be reduced by 25 percent.

The net effect of the proposed pricing package is difficult to quantify because of the changes in intervention policy and the effects of inflation. Even if the pricing package is adopted as proposed before spring planting, it is expected to have little effect on crop acreage. The cuts would affect all of the major crops so that there is no incentive to switch earlier planting intentions. Furthermore, much of the 1989/90 grain and oilseed crop is already in the ground.

Table 12

EC INTERVENTION PRICES <sup>1/</sup>  
(ECU'S PER 100 Killograms)

	SOFT WHEAT	CORN	RAPESEED	SUNFLOWER	SOYBEAN
1967/68	98.75	77.00	19.65	19.65	N/A
1968/69	98.75	79.31	19.65	19.65	N/A
1969/70	98.75	79.31	19.65	19.65	N/A
1970/71	98.75	79.31	19.65	19.65	N/A
1971/72	100.72	79.31	19.65	19.65	N/A
1972/73	104.75	83.25	20.25	20.45	N/A
1973/74	105.80	84.08	20.45	20.65	N/A
1974/75	112.78	91.54	21.80	22.44	23.31
1975/76	125.93	103.43	24.79	25.74	26.11
1976/77	131.00	112.20	26.77	27.80	28.50
1977/78	135.59	118.03	27.71	29.89	30.64
1978/79	136.96	121.57	28.82	31.38	32.17
1979/80	168.06	149.17	35.36	38.50	39.48
1980/81	175.20	155.88	36.77	40.05	42.05
1981/82	184.84	165.23	39.71	44.06	46.26
1982/83	179.27	179.27	42.13	49.73	52.74
1983/84	184.58	184.58	43.80	52.20	56.17
1984/85	182.73	182.73	42.92	53.27	57.01
1985/86	179.44	179.44	42.15	52.47	57.58
1986/87	179.44	179.44	42.15	53.47	57.58
1987/88	179.44	179.44	40.76	53.47	55.85
1988/89	179.44	179.44	40.76	53.47	55.85
1989/90 <sup>2/</sup>	179.44	179.44	40.76	53.47	55.85

<sup>1/</sup> Prices are initial announced intervention or soybean guide prices. These prices do not reflect coresponsibility levies, monthly increments, or reductions caused by surpassing maximum guaranteed quantities. The intervention price is basically a floor price for agricultural commodities. The EC is legally bound to buy commodities offered to intervention authorities at the set price. This mechanism is used extensively for most grains, but to a much lesser extent for oilseeds.

<sup>2/</sup> As proposed by EC Commission.

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